

DCMC

FY 1997 Business Plan

Monthly Management Review

November 21, 1996

AGENDA

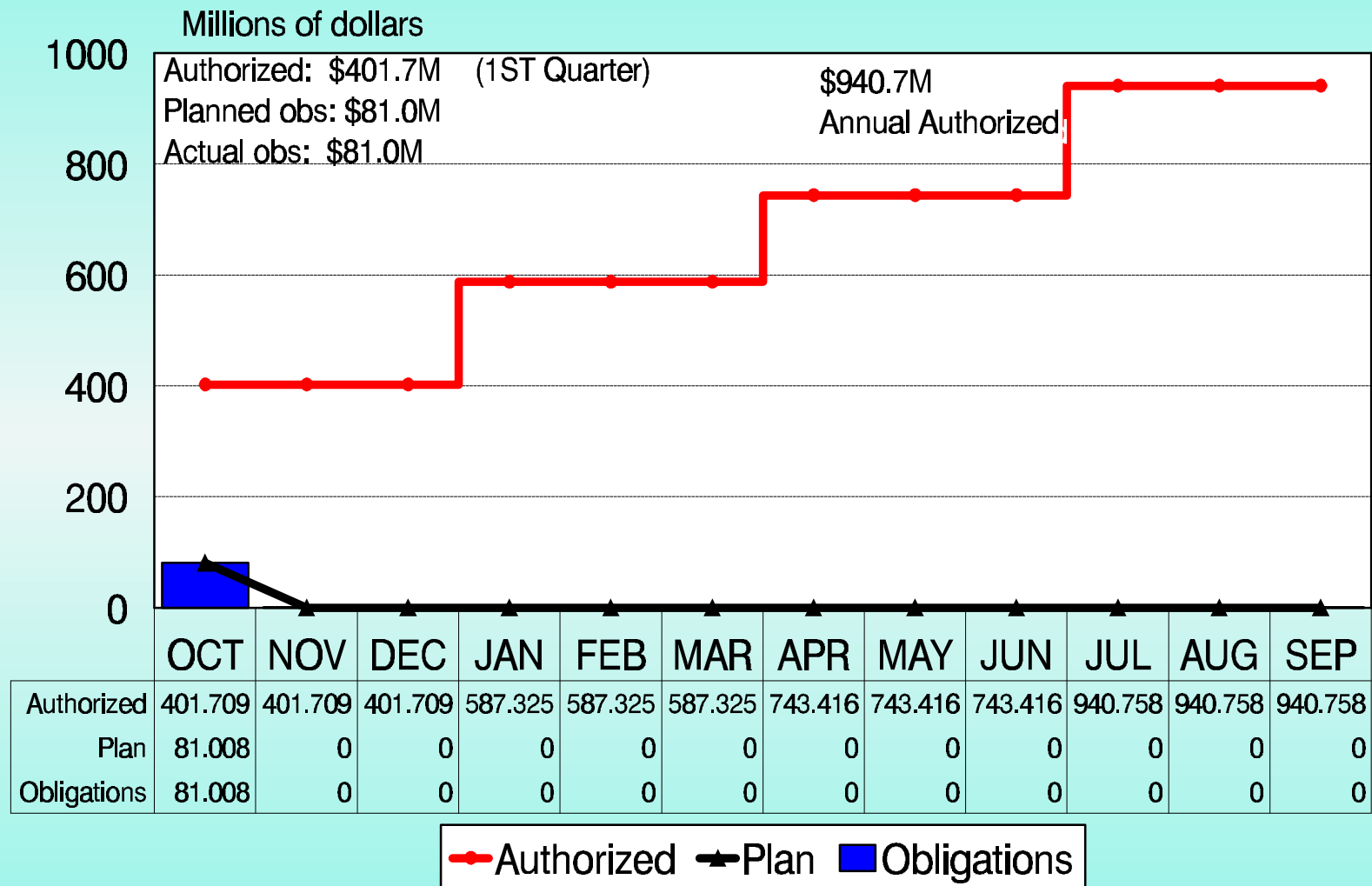
- O RESOURCE MANAGEMENT
- O MISSION PERFORMANCE
 - oo PROCESS DRIVERS
- O PERFORMANCE IMPROVEMENT
- O COMMANDERS' ASSESSMENT
- O ACTION ITEM REVIEW



Resource Management

Business Performance Metric	DCMC	East	West	Int'l
• Budget Execution				
• Total	Yellow	Green	Green	Green
• Direct	Yellow	Green	Green	Green
• Reimbursable	Yellow	Green	Green	Green
• Manpower				
• Total (FTE Execution)	Yellow	Yellow	Green	Red

DCMC FY 97 Total Execution



Obligations/plan: 100%



FY 97 Budget Execution

DCMC Summary (As of 15 Nov)

Status: **YELLOW**

- Comments:
 - Additional potential DoD reductions pending
 - Initial AOB from OSD did not contain sufficient funding for 1st quarter execution
 - Delay in finalizing FY 97 allocations resulted in delayed receipt of Monthly Obligation Plans (MOPs)
 - Potential labor shortfall based upon AAR methodology identified by DCMDE if FTEs fully executed; if methodology approved, will also affect DCMDW
 - Reserve will not cover projected labor shortfall



FY 97 Budget Execution

DCMC Summary (As of 15 Nov)

Continued

- Corrective Action:
 - Strong justification developed and forwarded to OSD; high degree of coordination
 - New budget from OSD to correct 1st qtr authority is pending
 - Actuals contained in Monthly Obligation Plans (MOPs) will be closely monitored during BPT/RUC/MMR reviews
 - Input from Districts regarding impact of FY 97 reductions (by Business Plan goal and object class) due 29 Nov



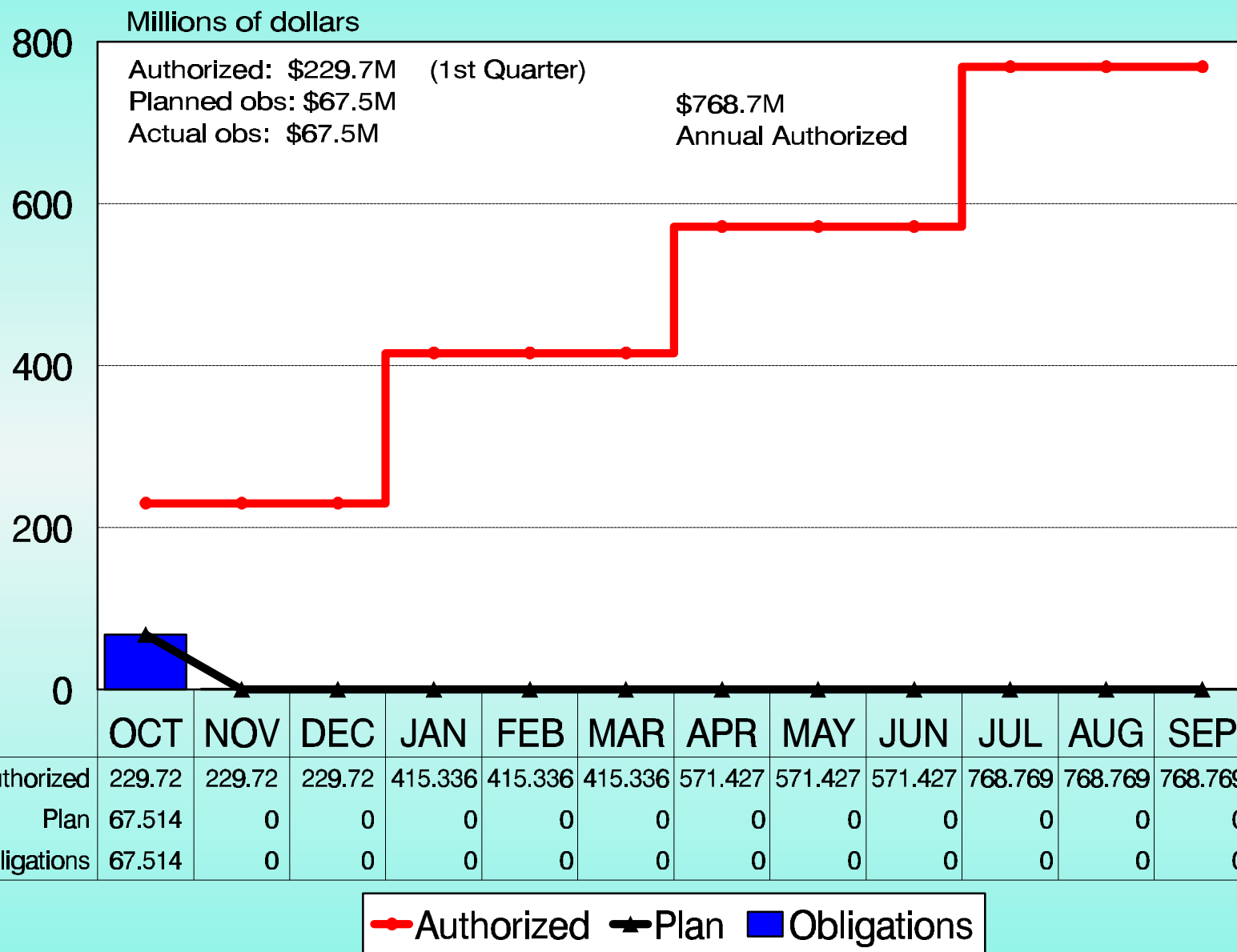
FY 97 Budget Execution

DCMC Summary (As of 15 Nov)

Continued

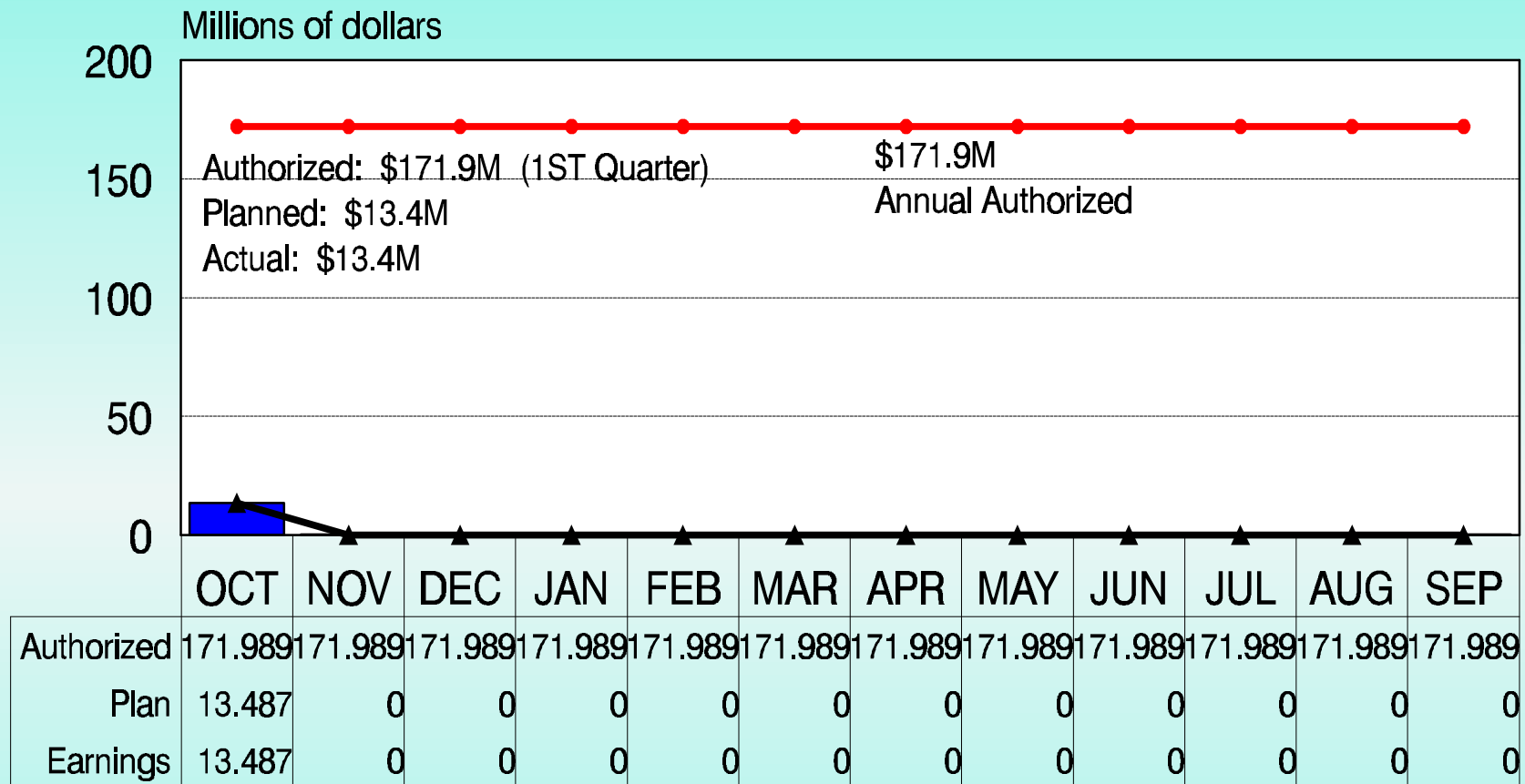
- Corrective Action (continued):
 - BPT/RUC will develop proposed reprogramming recommendations and funding trade-offs
 - Budget Review Team will identify additional recommendations for corrective action

DCMC FY 97 Direct Execution



Obligations/plan: 100%

DCMC FY 97 Reimbursable Execution

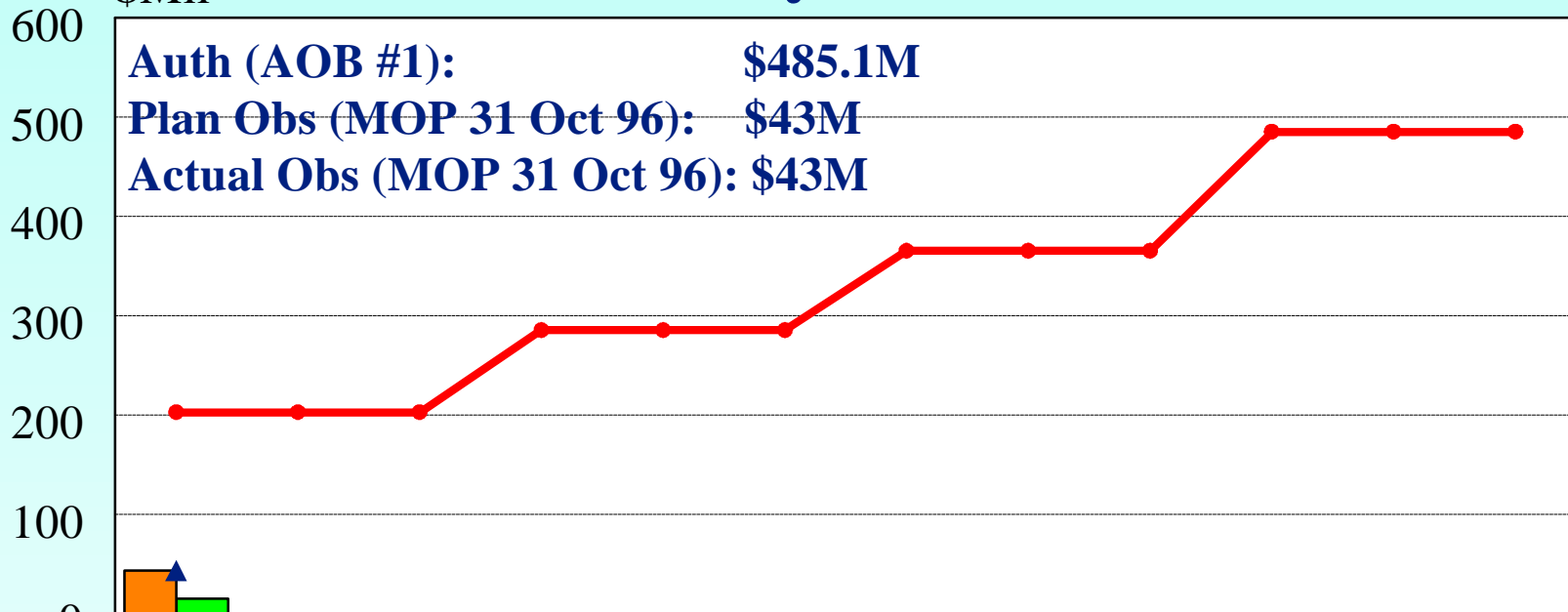


—●— Authorized —▲— Plan ■ Earnings

Earnings/plan: 100%

a/o 31 October 96 Summary Chart

\$Mil



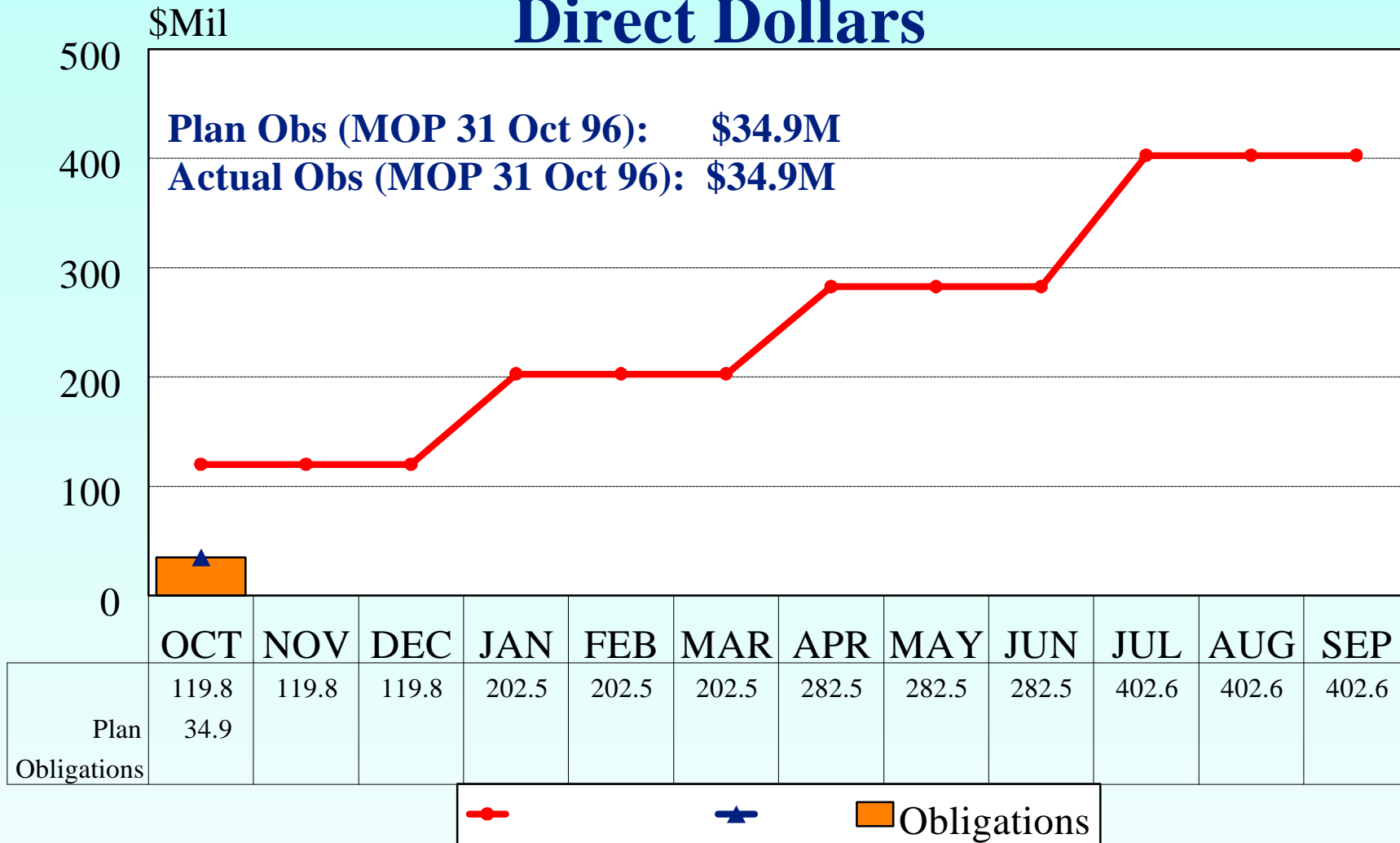
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Plan	202.4	202.4	202.4	285.1	285.1	285.1	365.1	365.1	365.1	485.1	485.1	485.1
Obligations	43											



Obligations/Plan: 100%

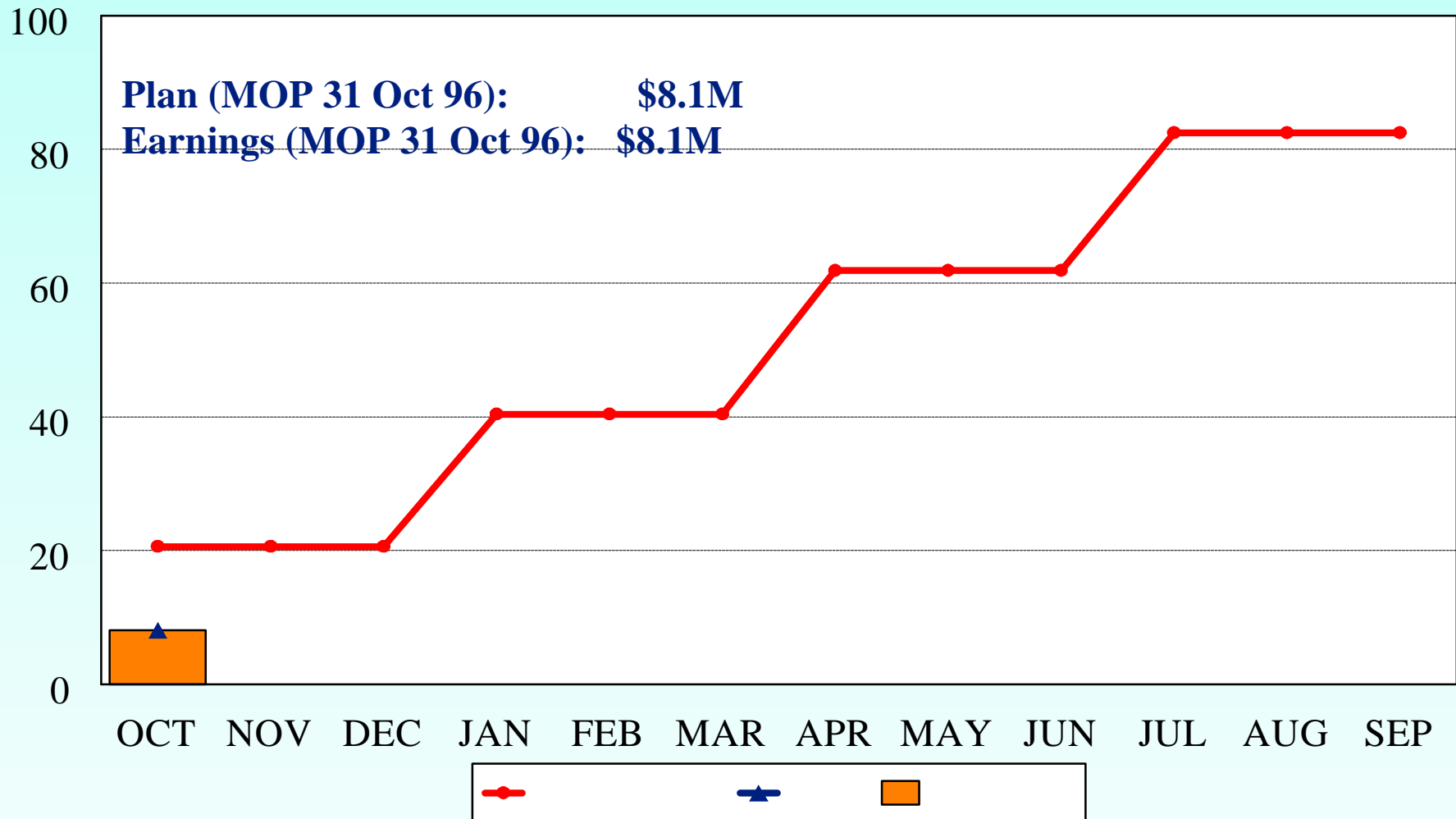
a/o 31 October 96

Direct Dollars



Obligations/Plan: 100%

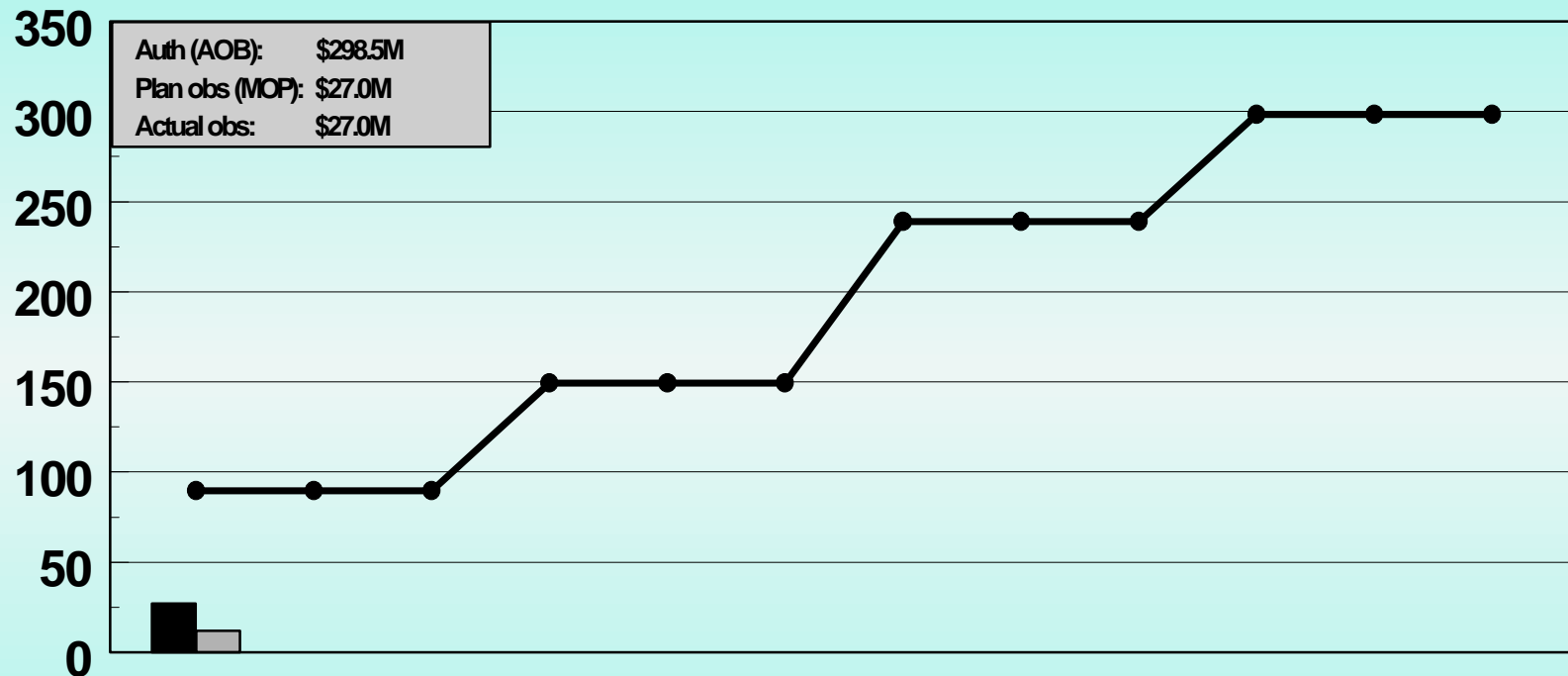
a/o 31 October 96 Reimbursables



Earnings/plan: 100%

FY97 DCMDW Direct Execution

Millions of Dollars

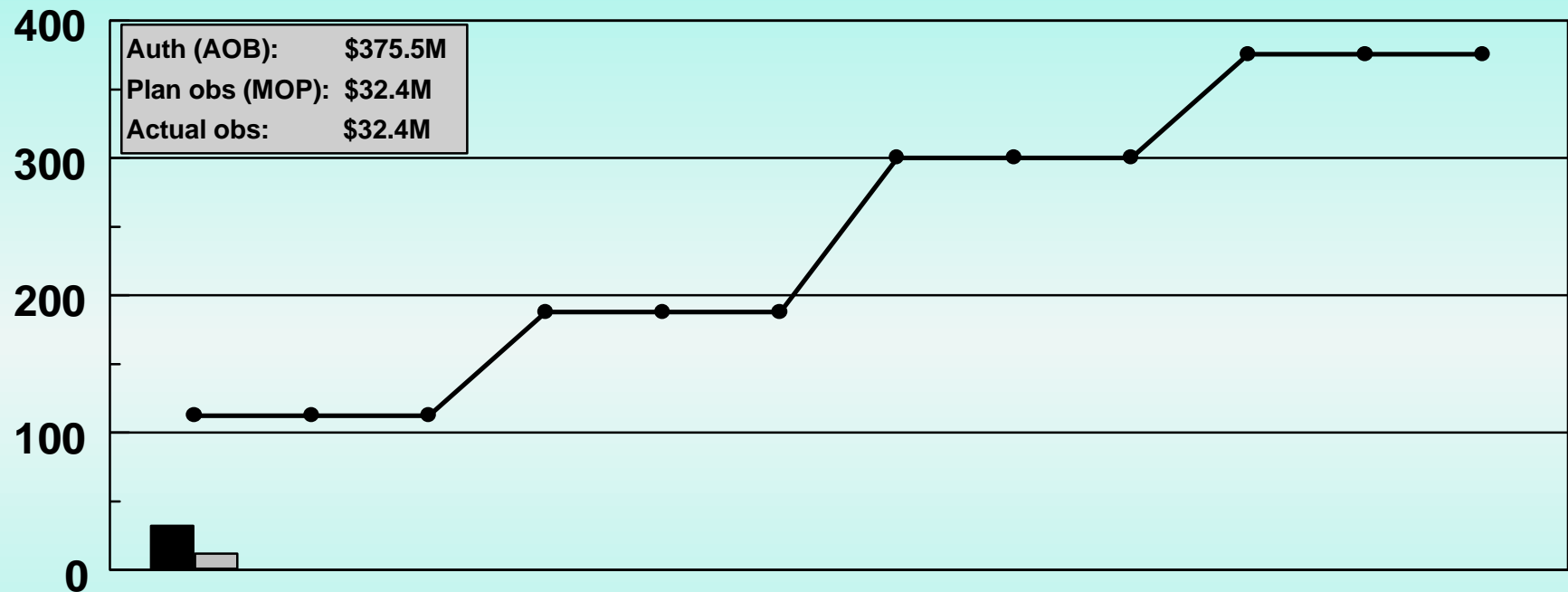


	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Auth	89.559	89.559	89.559	149.264	149.264	149.264	238.822	238.822	238.822	298.527	298.527	298.527
Plan	27.046											
Oblig	27.046											
Expen	12.011											

Obligations/plan: 9.1%

FY97 DCMDW Total Execution

Millions of Dollars

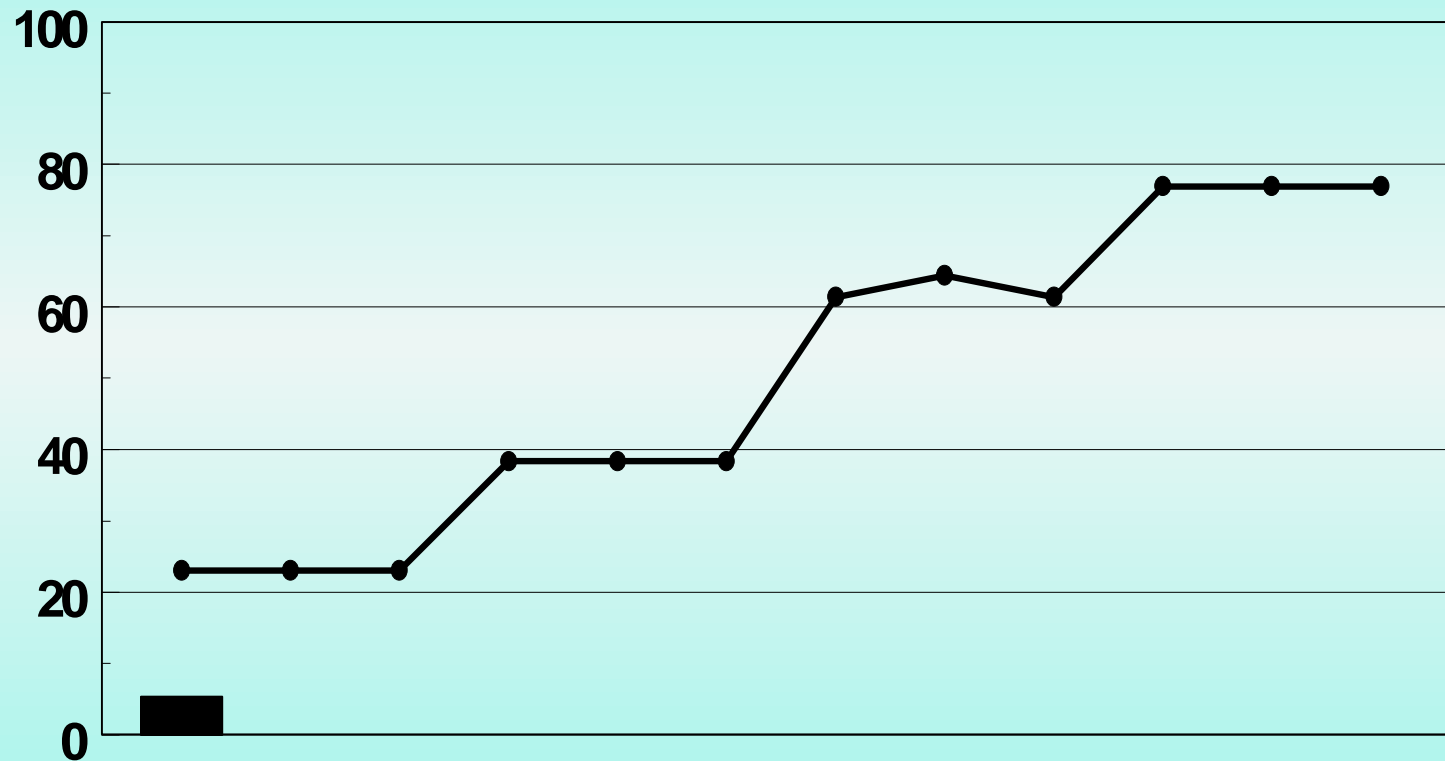


	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Auth	112.586	112.586	112.586	187.643	187.643	187.643	300.228	300.228	300.228	375.485	375.485	375.485
Plan	32.393											
Oblig	32.393											
Expend	12.011											

Obligations/plan: 8.6%

FY97 DCMDW Reimbursable Execution

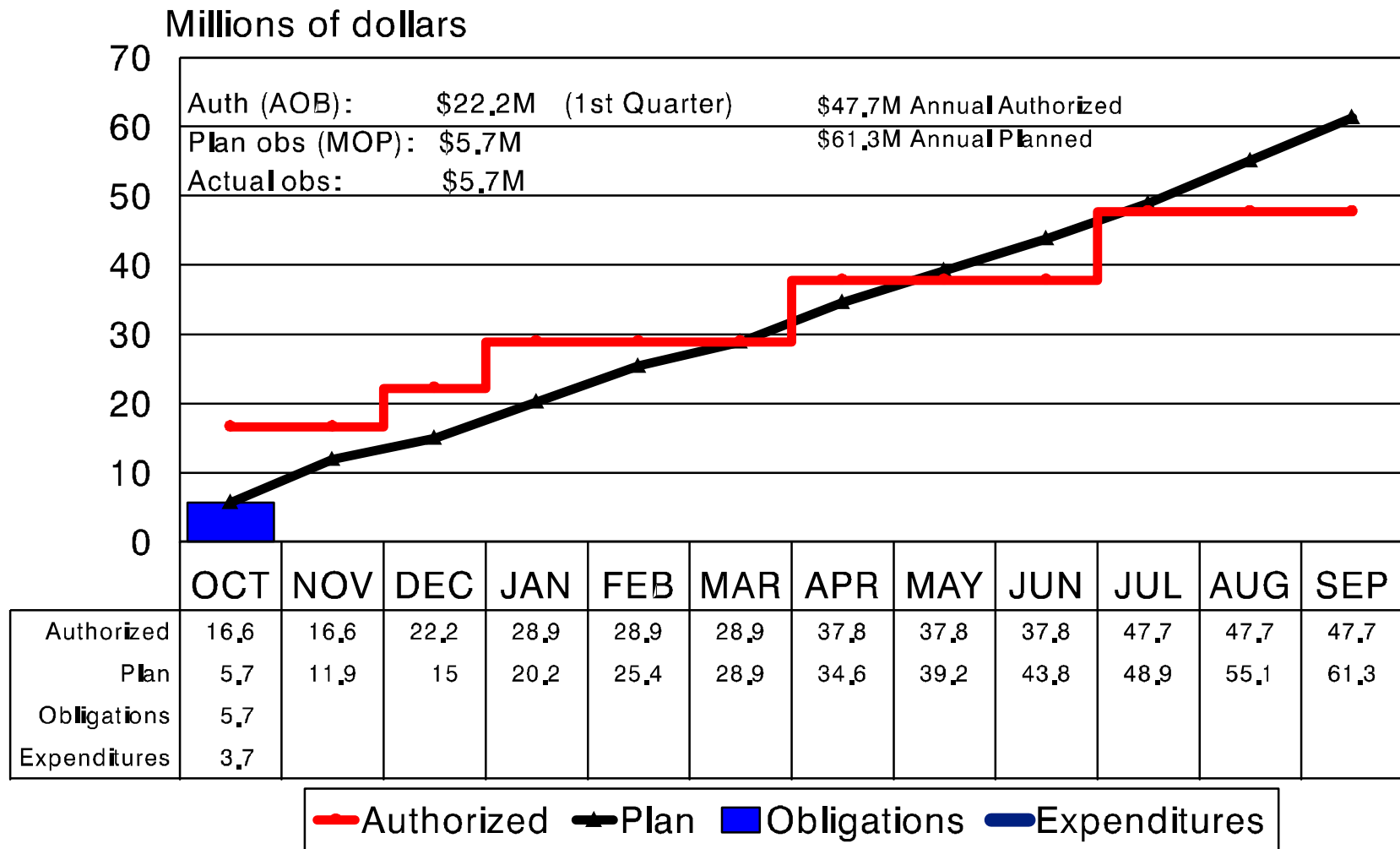
Millions of Dollars



	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP
Auth	23.027	23.027	23.027	38.379	38.379	38.379	61.406	64.406	61.406	76.958	76.958	76.958
Plan	5.347											
Earning	5.347											

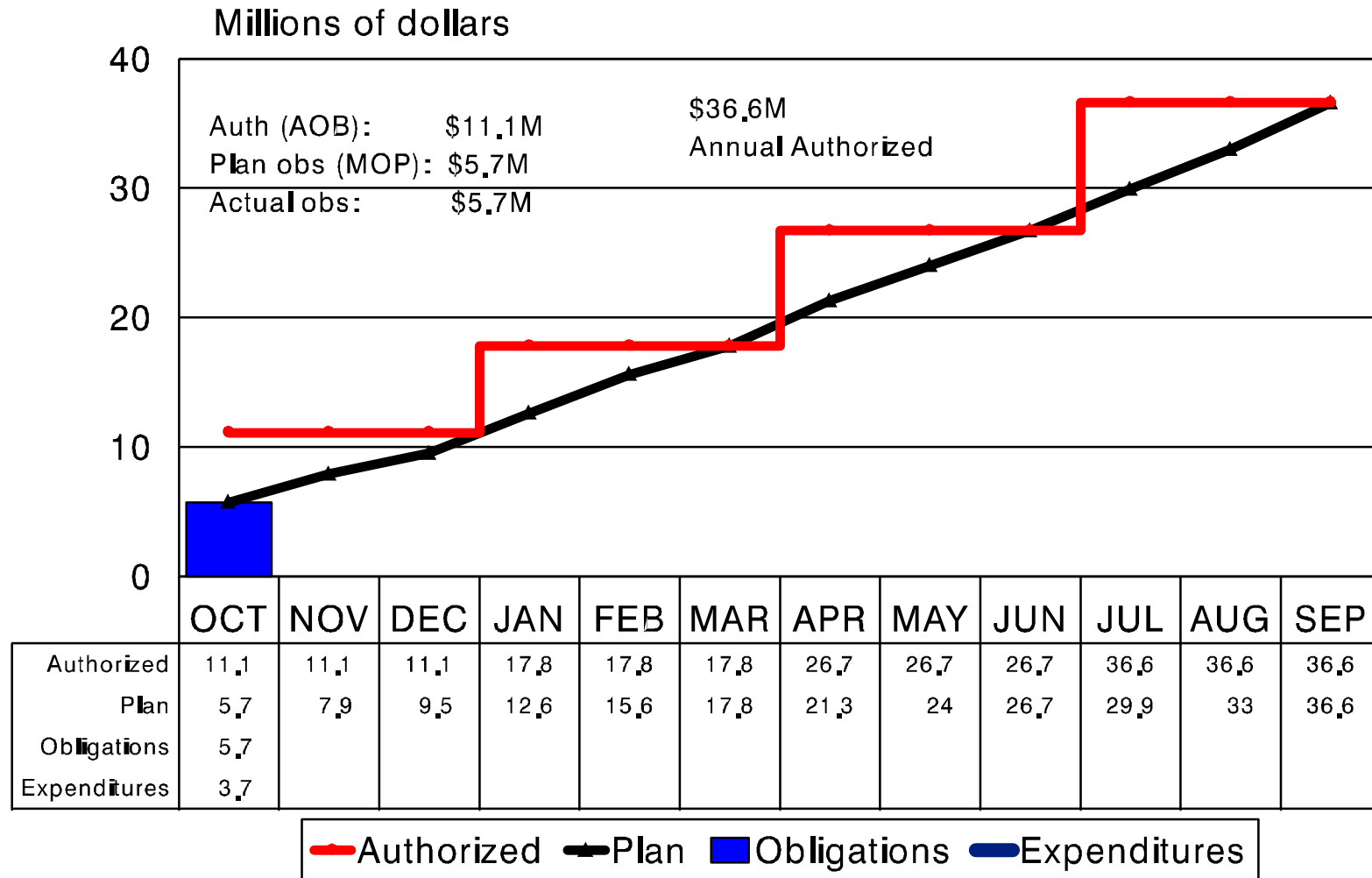
DCMDI Resource Management

FY 97 Total Execution



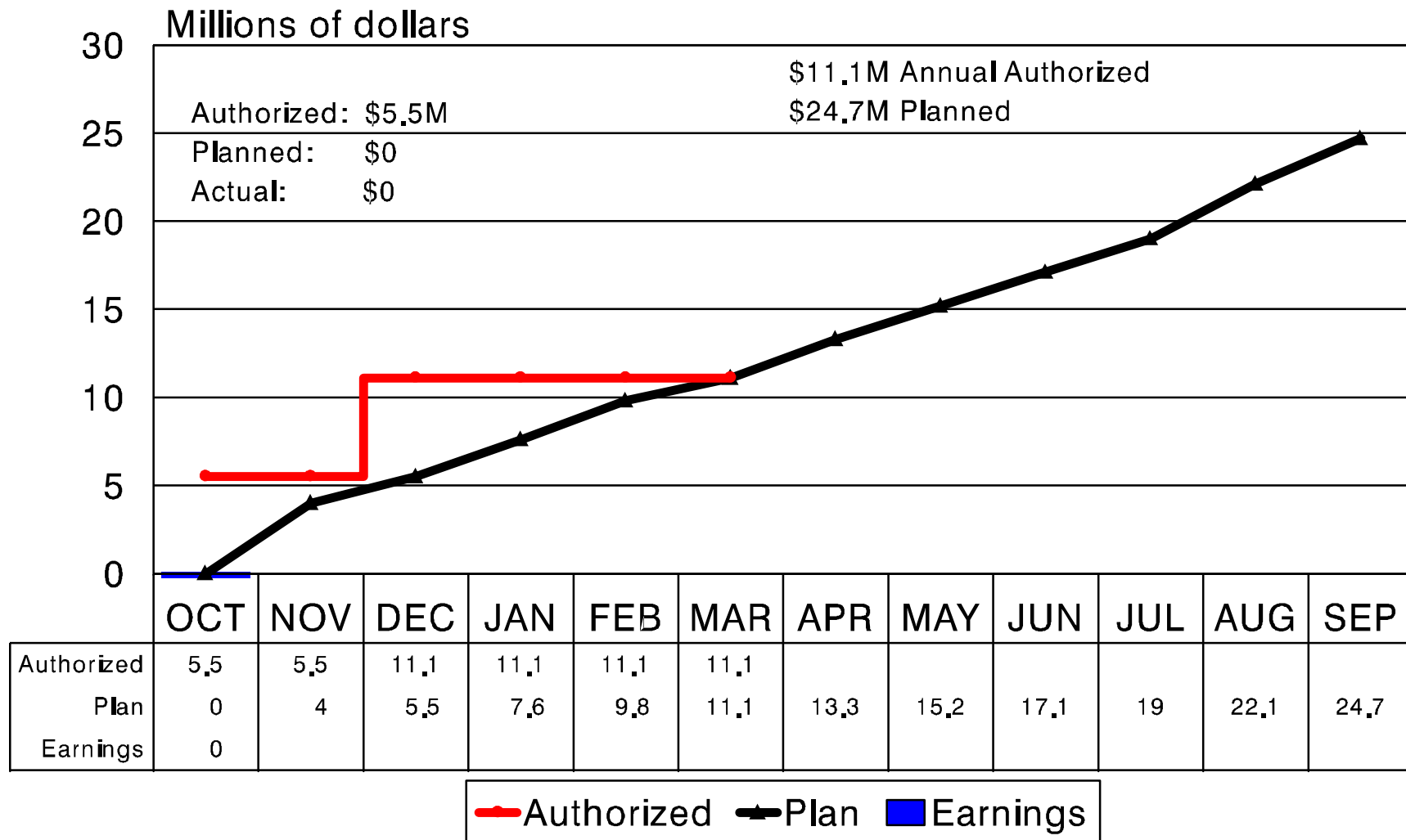
Obligations/plan \$100%

DCMDI Resource Management FY 97 Direct Execution



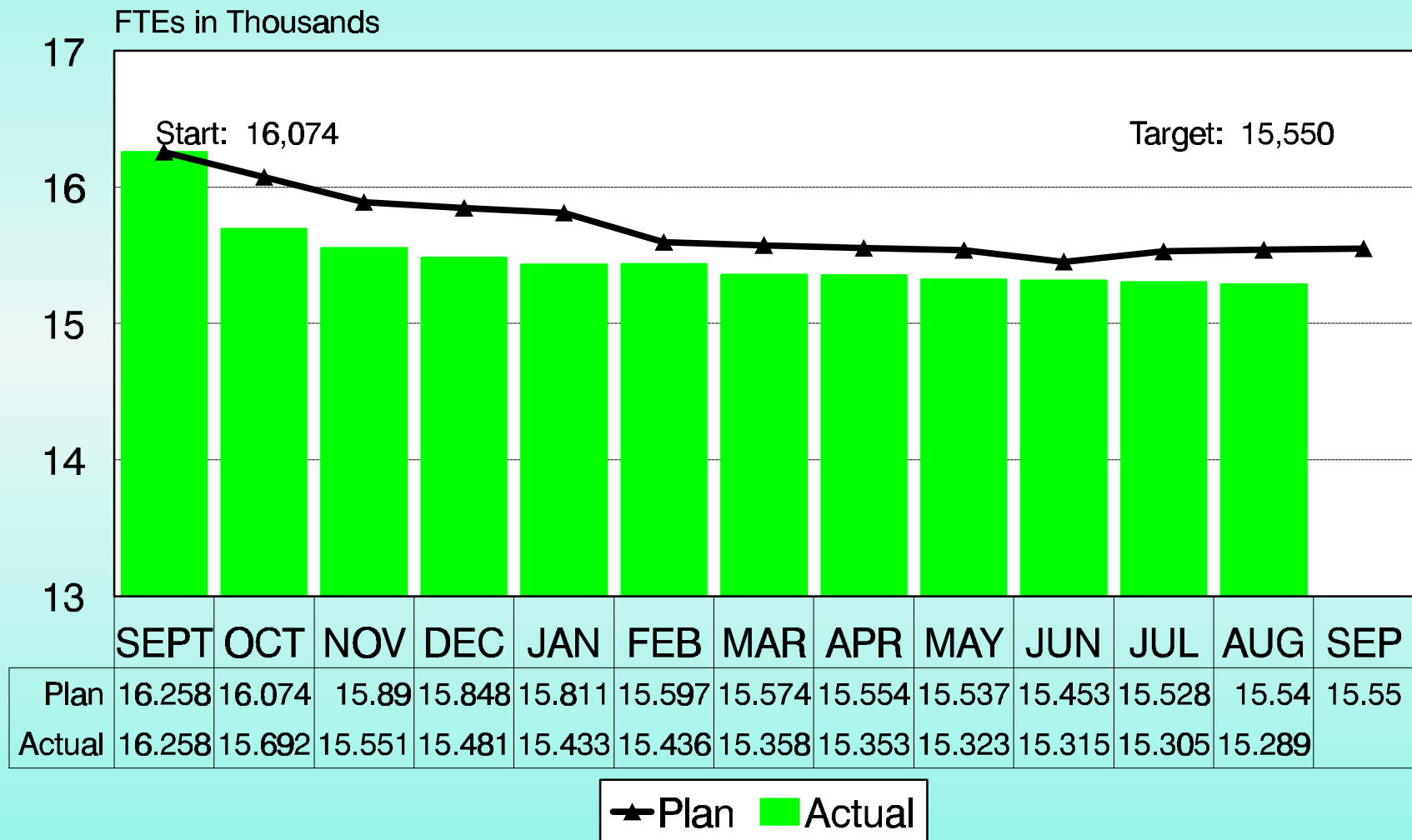
Obligations/Plan: 100%

DCMDI Resource Management FY 97 Reimbursable Execution



Earnings/Plan: 100%

DCMC FY 97 FTE Execution



Actual/Plan: 98%



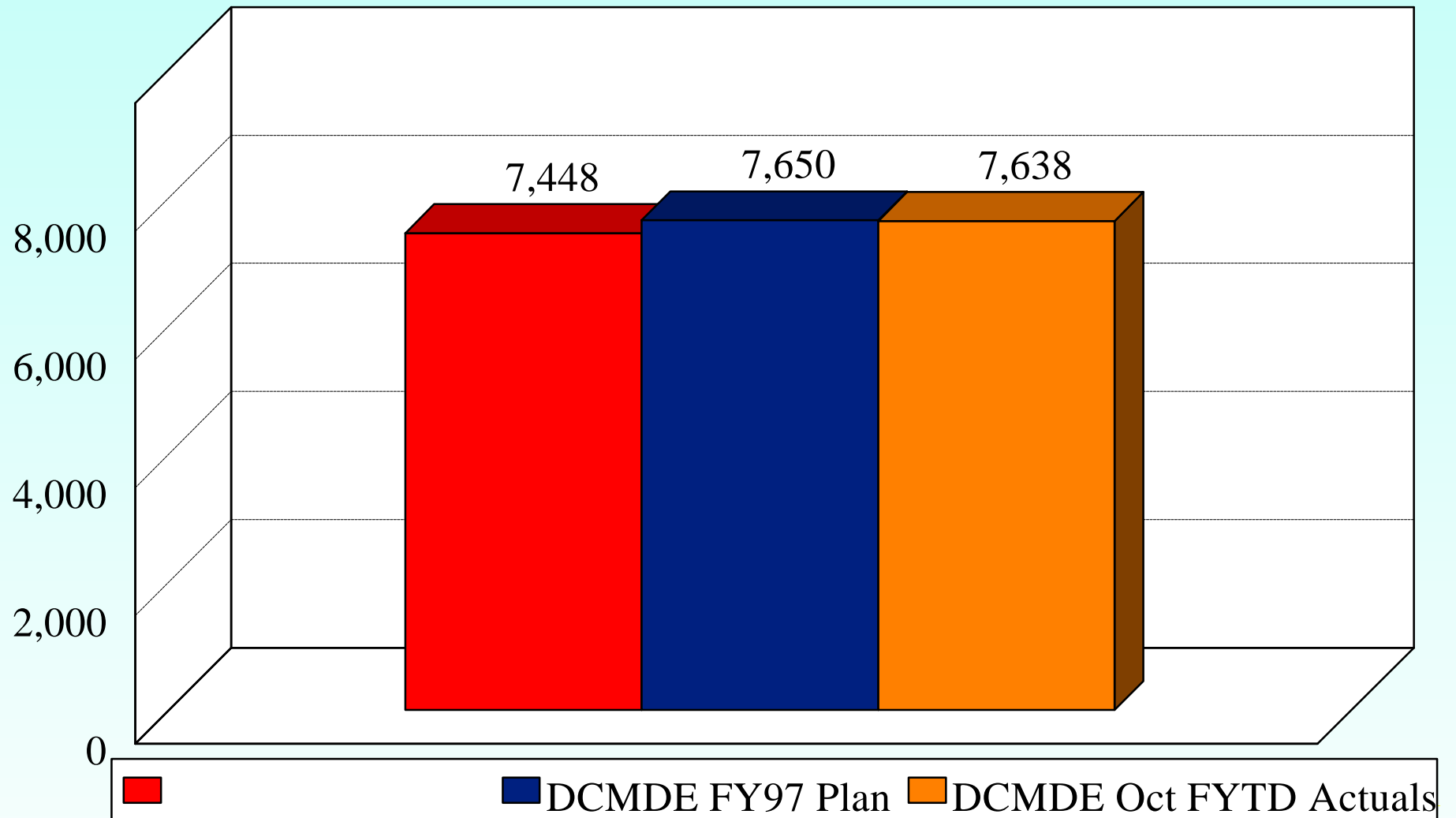
FY 97 FTE Execution

DCMC Summary (As of 31 Oct)

Status: YELLOW

- Comments:
 - Additional potential DoD reductions pending
 - History of underexecution
- Corrective Action:
 - Actuals contained in FTE Projection Worksheets and MOPs will be closely monitored during BPT/RUC/MMR reviews
 - Variances will be tracked by District and CAOs

a/o 31 October 96



DCMDE EXECUTION
A/O 31 Oct 96

Status: Yellow



FY 97 FTEs GOAL = 7448

Comments:

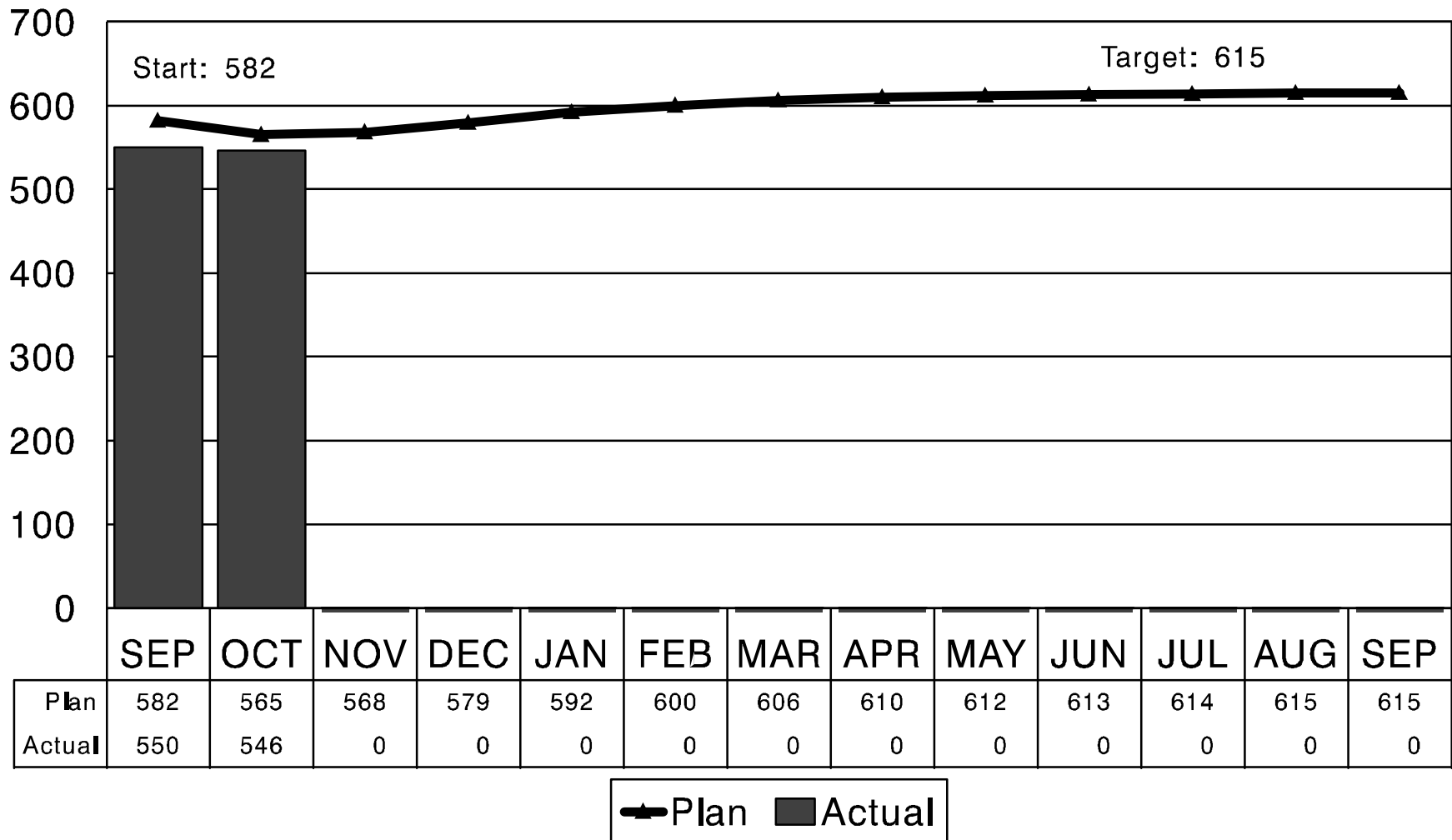
SUBJECT: FY97 DCMDE FTEs Execution a/o 31 October 96

- o DCMC approved FY97 FTEs - 7448**
- o DCMDE planned FTEs for October - 7650**
- o Actual FTEs for October - 7638, 12 less than plan**
 - oo The shortfall is due to anticipated losses for the month.**
We estimated losses of 8 employees, actual losses were 19
- o We plan to achieve target of 7448 in December 96**
- o We have a hiring plan to ensure that we execute to the target**

DCMDW FTE Execution

DCMDI Resource Management

FY 97 FTE Execution



Actual/Plan: 97%



DCMDI Resource Management

FTE Execution

Status: RED

Comments: (as of 31 Oct 96)

DCMDI was 19 FTEs short of the planned goal of 565 for Oct.

DCMDI was unable to achieve the planned 580 end strength in Sep 96 due to Operation Safe Haven, CONOPs and BRAC

Actions taken:

Initiated aggressive hiring processes to fill vacancies

Created short term positions to bridge gaps and hiring lag times

Hire additional number of employees, peaking at mid-year, to achieve desired “burn rate”.



Mission Performance

Performance Metric	DCMC	East	West	Int'l
1. Right Item - Conforming Items	Yellow	NR	NR	Green
• Design Defects (3.10.1)	Green	Green	Green	Green
• First Pass Yield on First Articles (3.3.1)	Green	Green	Green	Green
• Packaging Discrepancies (3.4.1)	4097	NR	NR	Green
2. Right Time - On Time Contractor Delivery (3.7.1)	Jan 97	NR	NR	Green
• Delay Forecast Coverage	Jan 97	NR	NR	Green
• Delay Forecast Timeliness	Jan 97	NR	NR	Green
• Delay Forecast Accuracy	Jan 97	NR	NR	Green
• Customer Priority List (CPL) Coverage	Green	Green	Green	Green
• Engineering Change Cycle Time	NR	Yellow	Yellow	Green
• Schedule Slippage's on Major Programs	Green	NR	NR	Green
• Shipping Document Cycle Time (3.5.2)		NR	NR	Green
3. Right Price - Cost Savings & Avoidances	Jan 97	Green	NR	Green
• ROA on Property from Plant Clearance	Dec 96	NR	NR	Green
• Negotiation Cycle Time	Feb 97	NR	NR	Green
• UCA Definitization (2.2.2.2)	Red	Yellow	Red	Green
• Forward Pricing Rate Agreement (FPRA) Coverage (2.2.1.1)	Green	Yellow	Green	Green
• Cost Overruns on Major Programs	Green	NR	NR	Green
• \$ Value of Lost/Damaged/Destroyed Government Property (3.2.1)	Green	Green	Green	Green



Mission Performance (Con't)

Performance Metric	DCMC	East	West	Int'l
4. Right Advice - Participation in ASPs and RFP Reviews	Green	Green	Green	Green
• Repeat Requests for Early CAS	Green	Green	NR	Green
• Adopted Software Recommendations	Green	NR	NR	Green
• % Contractors on Contractor Alert List (CAL) (2.1.1.2)	Dec 96	NR	NR	Green
• Single Process Implementation	Green	Green	NR	Green
• Preaward Survey Timeliness (2.1.2)	Green	Green	Green	Green
• Amount of DoD Property	Dec 96			
• Excess Property	Dec 96			
5. Right Reception - Customer Satisfaction	Green	NR	Green	Green
• Service Standards	2097	NR	NR	Green
• Trailer Cards	Green	Green	Green	Green
6. Right Efficiency - Contracts per Person (1.1)	Green	N/A	Green	Green
• Contract Closeout (4.2.2.2)	Yellow	Green	G / Y	Green
• Termination Actions (4.1.2.1)	Yellow	Yellow	Yellow	Yellow
• Contractors with CS2 Joint Agreements (3.1.2.2)	Green	Green	Green	Green
7. Right Talent - Training Hours		Green	NR	Green
• DAWIA Certification		Green	Green	Green
• Course Completion (1.1.7)		NR	Green	Green
• Training Quota Usage		Green	Green	Green



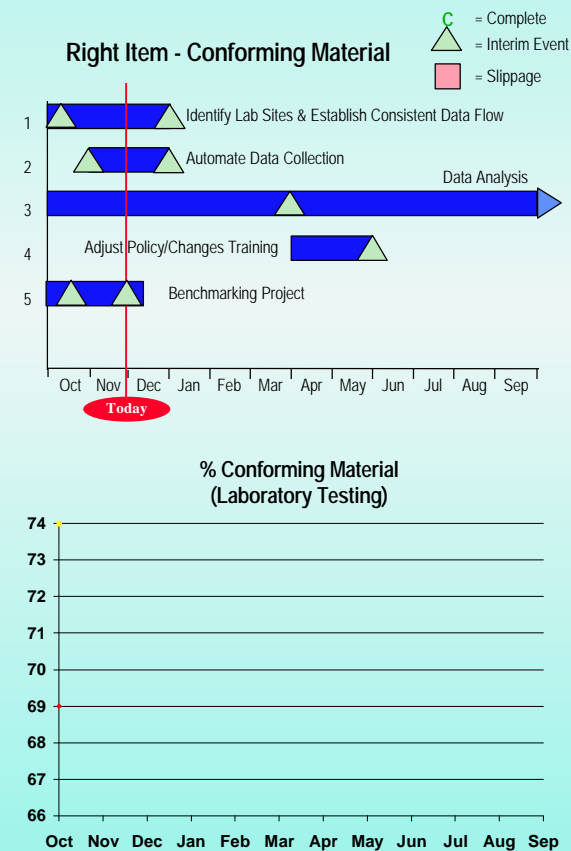
Right Item

**Conforming Items - # Usable lab tested items
/ # of Items tested**

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Quality Planning/Process Control (contractor)	10	5
Production Planning (contractor)	10	5
Contractor Assessment (DCMC)	10	10
Contractor Surveillance (DCMC)	10	10
Contract Award (vendor selection)	7	3

1.2.1-Right Item - % Conforming Material

- Increase by 5 points, from the FY 96 baseline, the percentage of DCMC inspected or accepted serviceable/issuable material. Material usability determinations will be made by Lab Testing conducted by Military Services/Defense Agencies.
- Status: Data Analysis completed for ten (10) PQDRs received from Ogden ALC. Ninety percent (90%) concurrence from DCMC with Lab results. All contracts were source inspected by non-resident QARs. Sixty percent (60%) of the contractors never manufactured the item previously.
- Ms. Georgeanna M. Adams, primary, AQOG, 767-2367. Mr. John Childers, secondary, AQOG, 767-2366





Right Item

Status: Yellow

- Ogden ALC - Ten PQDRs issued
- Data Analysis
 - Ninety percent concurrence with Lab results
 - Inspection by non resident QAR's
 - New item for sixty percent of contractors
 - Contracts for spare parts
- District conduct independent investigation



Right Item

Status: Yellow

- Potential Sites:
 - DISC, DESC, San Antonio ALC
- Existing Sites:
 - DSCC, DSCR, Ogden ALC, Watervliet
 - Additional Test Data 03 Dec 96



Right Item

Design Defects - # Design Related ECPs and M/C W/Ds per 1K Contracts

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Lack of IPTs with Contractor	10	8
# of Requirements Undefined	10	5
Late Drawing Releases	7	5
Poor Design Integration	8	4
Lack of Manufacturing Capability	8	5
Recurring Major/Critical Waivers&Deviations	4	4



Right Item

First Pass Yield on First Articles

PCO Approved 1st Articles / Total 1st Articles

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Contractor Capability	10	4
Product Nonconformances	8	3
Technical Requirements	8	3
Process Surveillance	5	4



Right Time

% Contract Line Items Delivered to Original Delivery Schedule

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Procurement Planning (Customer)	6	4
Solicitation and Award (Customer)	10	9
Solicitation Response (Contractor)	9	9
Production Planning (Contractor)	6	8
Production Management (Contractor)	4	4



Right Time

On Time Contractor Delivery

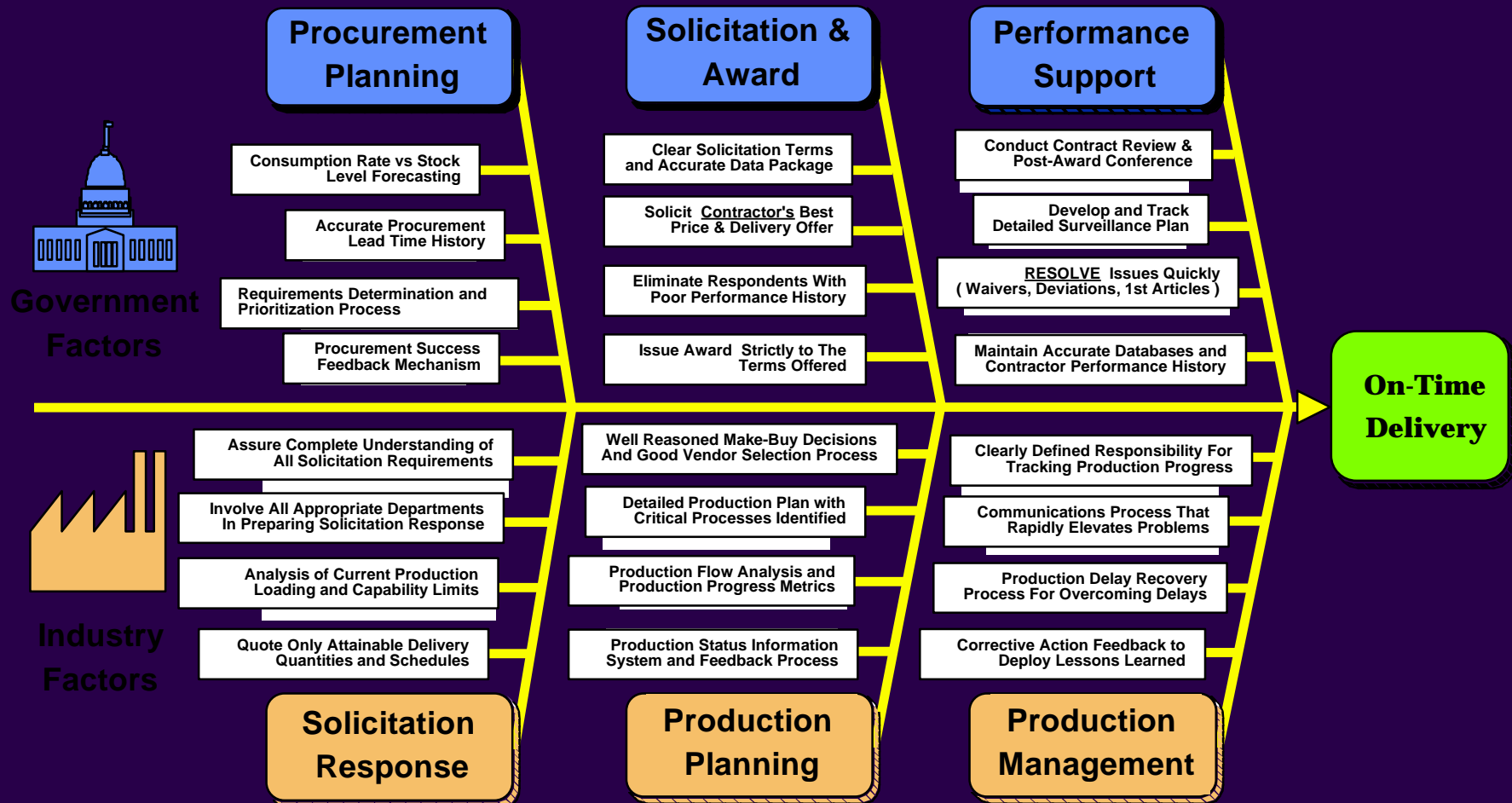
<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Delay Forecast Coverage	0	1
Delay Forecast Timeliness	0	1
Delay Forecast Accuracy	0	1

Note:

THESE METRICS DO NOT IMPACT THE TOP LEVEL METRIC
BUT THEY DO COMMUNICATE INFORMATION THAT THE
CUSTOMER DEEMS IMPORTANT. THESE METRICS PROVIDE
DIRECT SUPPORT TO THE *RIGHT ADVICE* TOP LEVEL METRIC

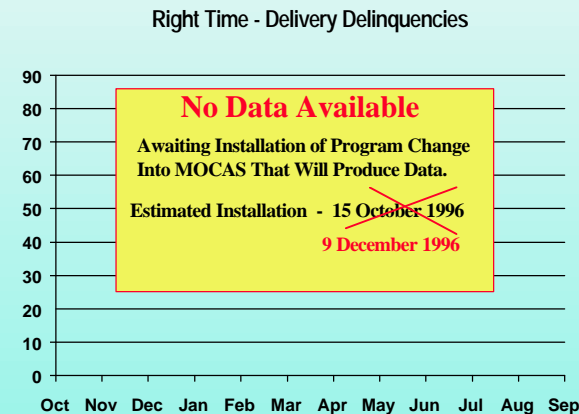
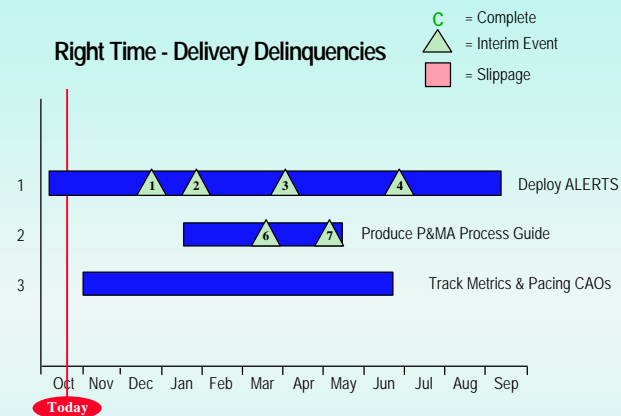


Factors Affecting On-Time Delivery



1.2.2-Right Time: Assure timely delivery of contract line items

- Goal/Target: Improve by 5 %, over the FY96 baseline, the number of contract line items delivered to the original schedule.
- Status: Yellow - ALERTS milestones dependent on contractor compliance with schedule. Guide book and assessment package development dependent on unknown budget.
- POC: Wayne E. Easter, AQOG, (703) 767-3360





Right Time

Customer Priority List

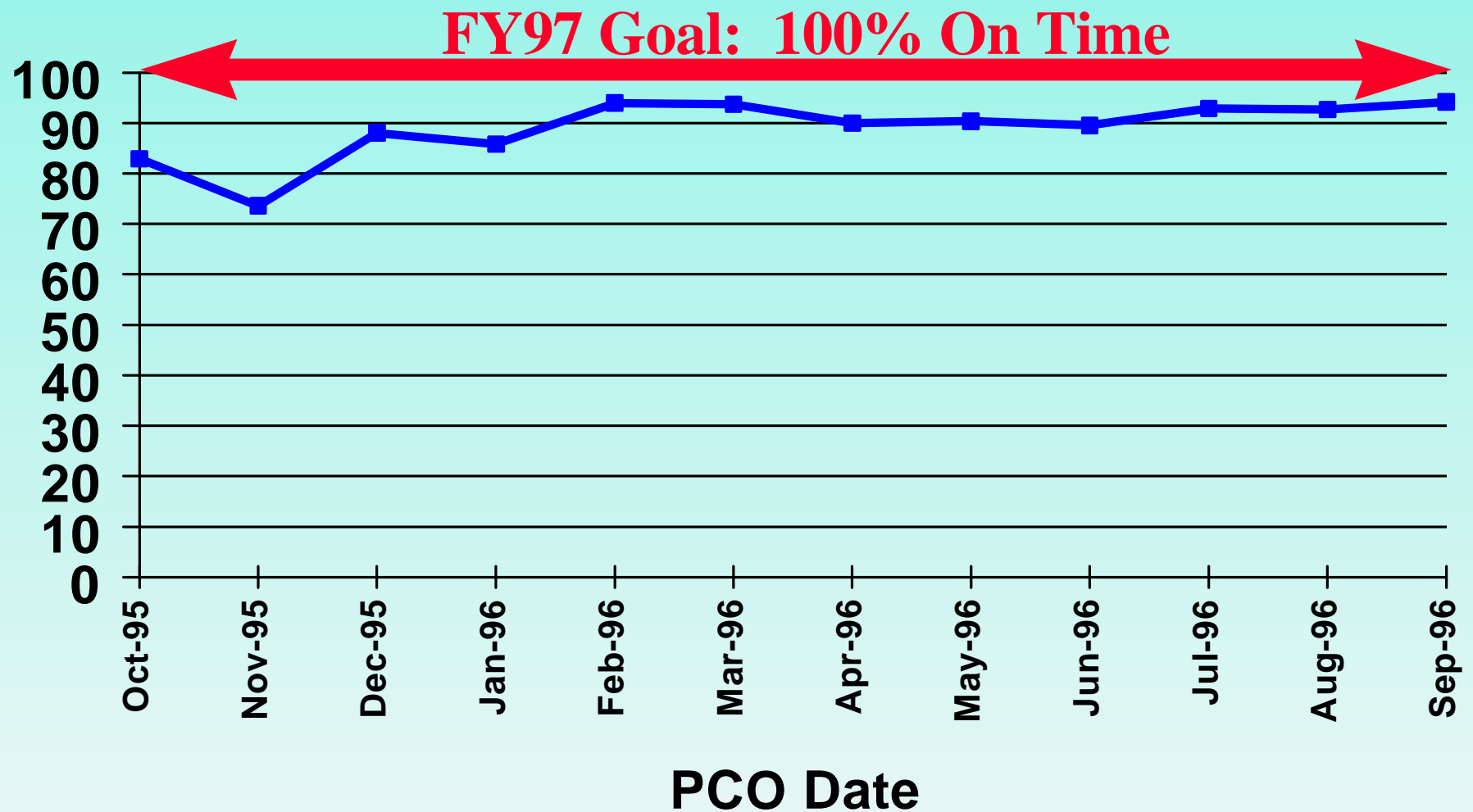
On-Time CPT Responses

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
# on CPL Requests	1	1
CAO CPL Process	2	10
Resources/Geography	3	6

DCMDE

Right Time - Engineering Change Cycle Time

Percent of CAO Comments Dated Prior to, Or Same Date,
as PCO Disposition



Right Time Engineering Change Cycle Time

(100% of assessments\recommendations to PCO)

Status: Yellow



FY 97 Goal : 100%

- Goal Unrealistic:
 - › PCO Dispositions Prior to CAO Receipt of ECP/RFD/RFW
 - › Issue being worked out with DCMC process owner
- Sep: 1 Late plus 3 data errors

<u>CAO</u>	<u>CAO Time</u>	<u>PCO Time</u>	<u>Cause</u>
Grand Rapids	8 days	5 days	Non-resident facility, PCO dispositioned in 3 business days

- Missing PCO Dates in ACTS - data improving

Right Time

Engineering Change Cycle Time

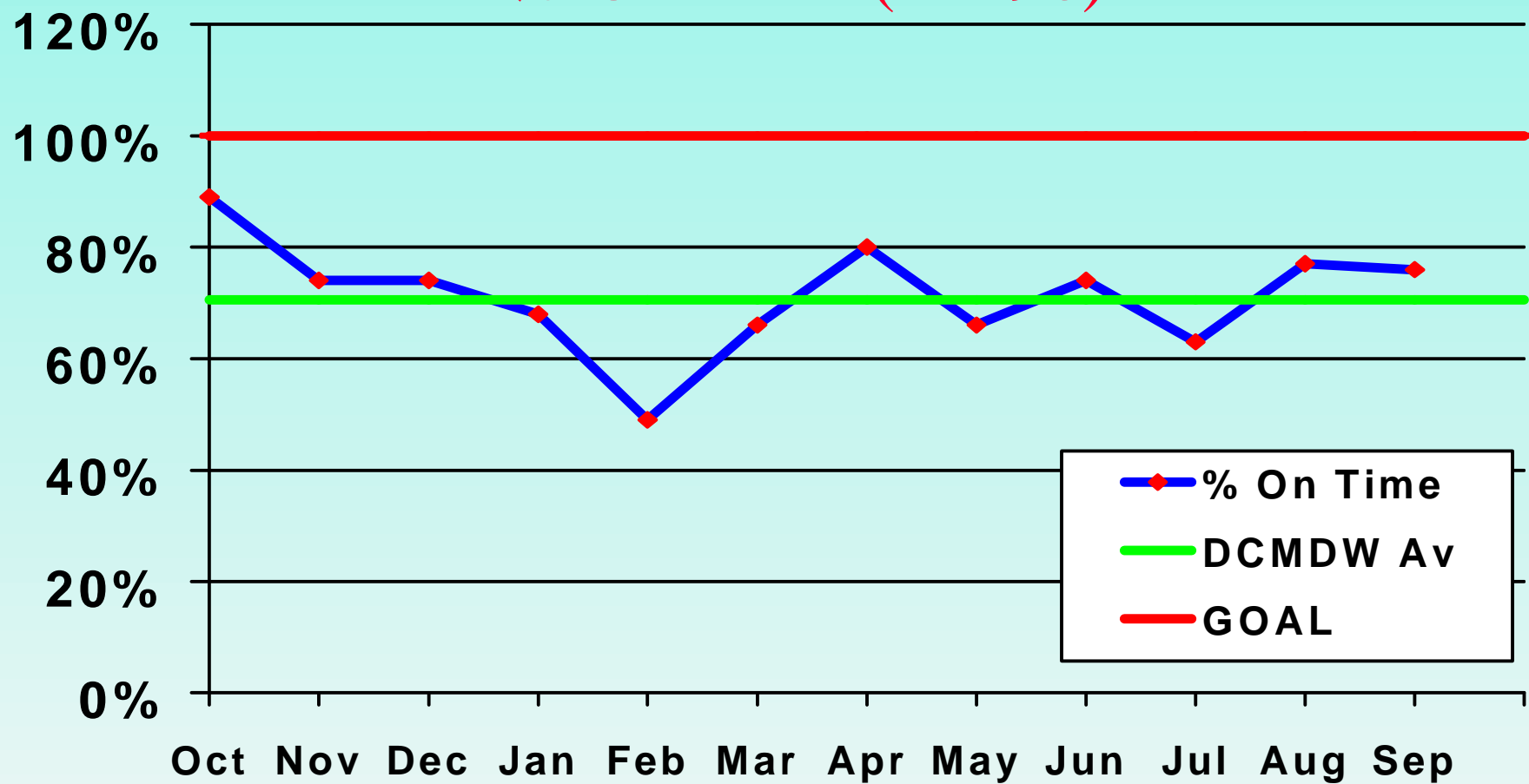
Status: Yellow

- **% of Technical Assessments of ECPs & Waivers/Deviations to Buying activities by PCO Disposition Date.**
 - **New Metric for FY 97**
 - **FY 97 Goal 100% On Time.**
 - ***Definition: Number of Assessments/Actions with CAO disposition Date before PCO disposition Date divided by Total number of Assessments/Actions.***

Right Time

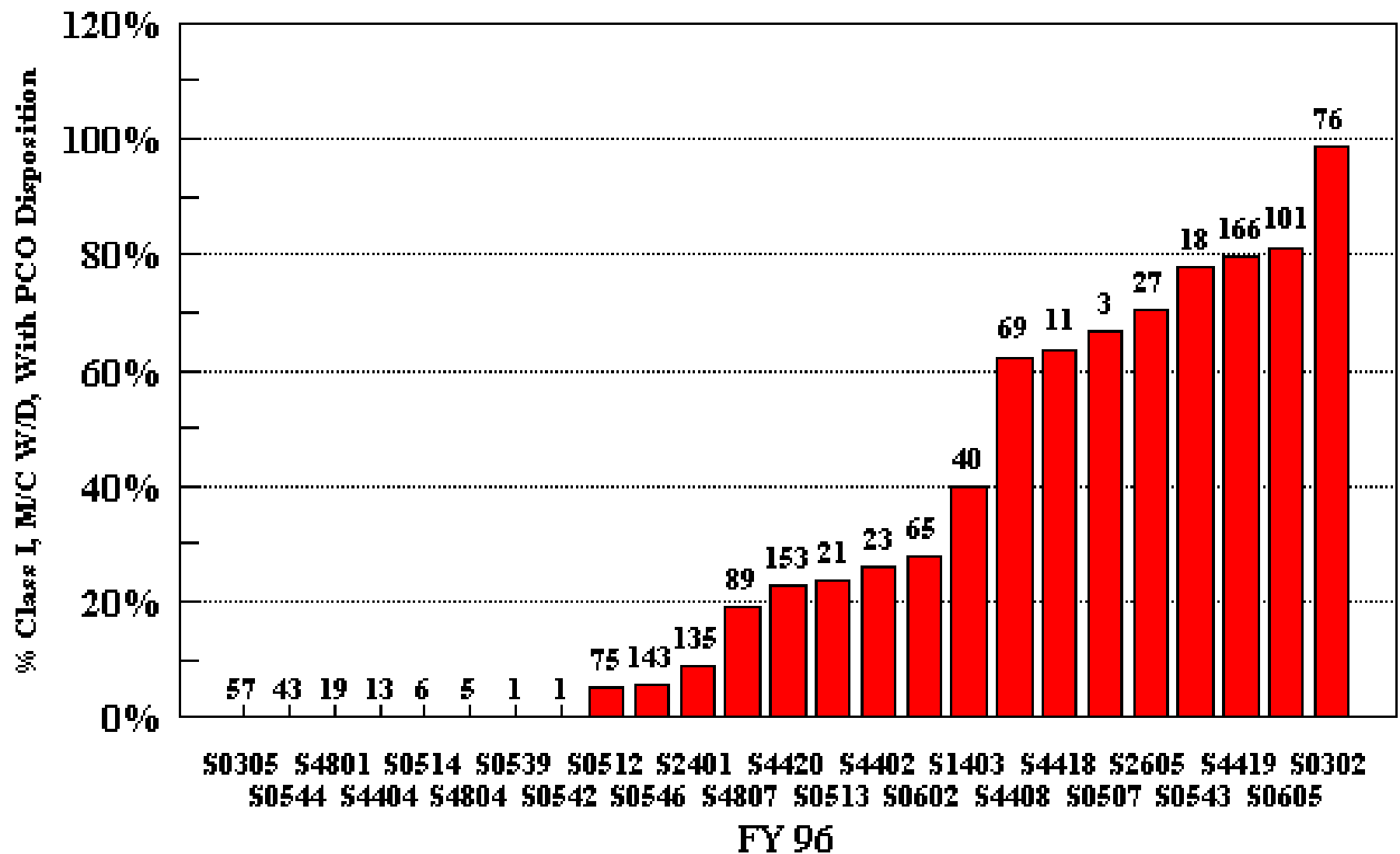
Class I ECPs, Major/Critical Waivers/Deviations

% On Time (FY 96)



97-1.2.1.2 (DCMDW)

Right Time (PCO Involvement)



Right Time

OBSERVATIONS

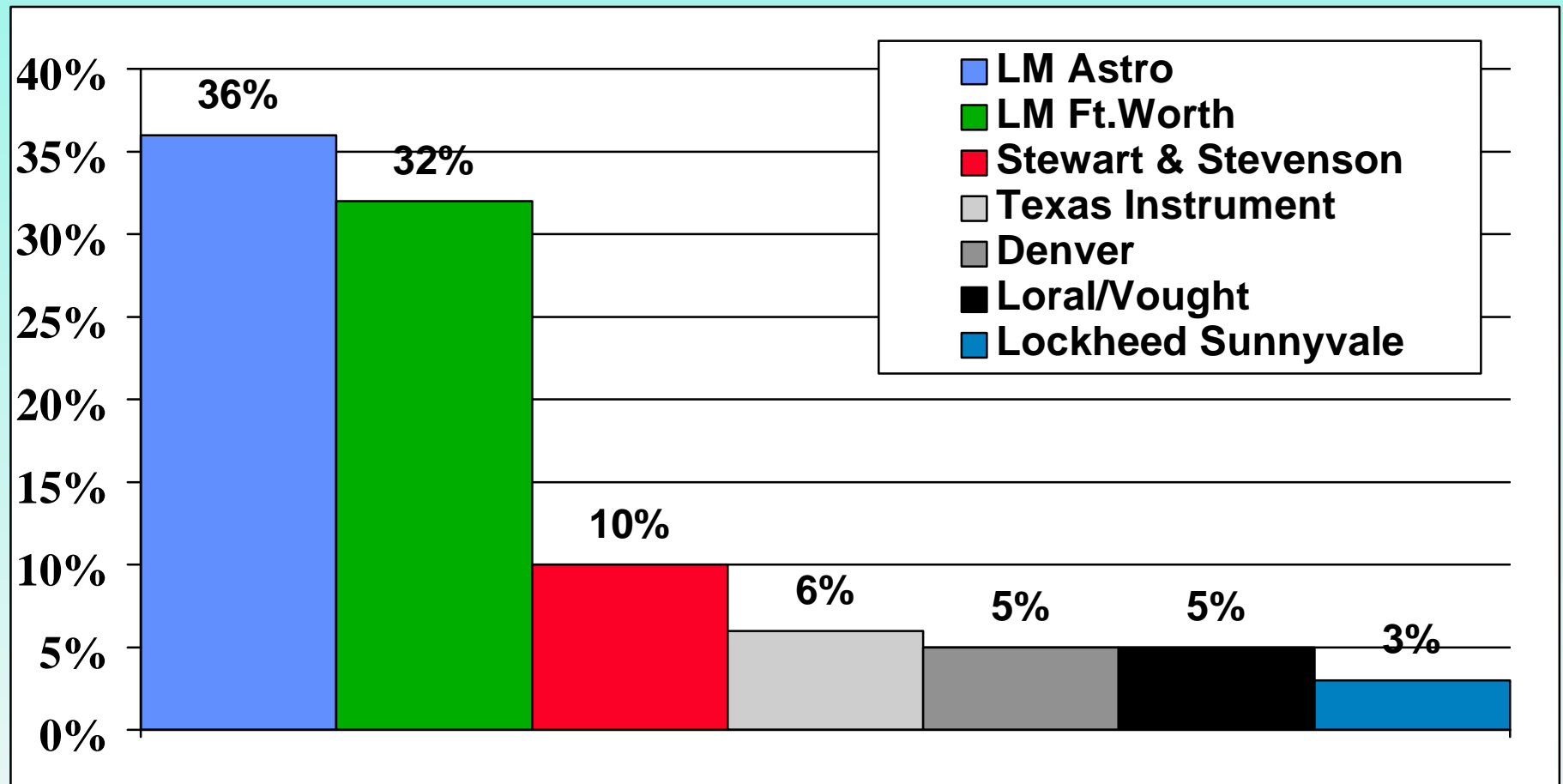
- **PCO Disposition Date:**
 - **ACTS database contains few PCO disposition dates.**
 - **Some actions are still in process and PCO disposition has not occurred yet.**
 - **CAOs have not tracked this data in the past.**
 - **Data shows significant range in % of actions with PCO Disposition dates.**
 - **Suggests CAOs are placing varying emphasis on this data.**

Right Time ***OBSERVATION***

- **PCO INVOLVEMENT SUCCESSES:**
 - **DCMC Phoenix (76 actions, 99%)**
 - **DCMC L-M Astro (101 actions , 80%)**
 - **DCMC L-M Ft.Worth (166 actions, 80%)**
 - **DCMC L-M Sunnyvale (18 action, 78%)**
 - **DCMC St. Louis (27 actions , 70%)**

Right Time

% Late, Class I ECPs, Major/Critical
Waivers/Deviations (FY 96)



Right Time

REASONS

- **DCMC LM Astro performance is better than observed.**
 - **Previous ACTS version 2.1 did not allow after the fact data input. ACTS V3.0 is expected to resolve this issue.**
- **DCMC LM Ft.Worth**
 - **Data under review**

Right Time

Corrective Action Plan

- *DCMDW Policy letters were sent to the field to populate all data fields.*
- *ACTS Version 3.0 formal training completed as of Nov 13th 96.*
- *Increase DCMDW internal resources for monitoring ACTS.*
- *Visit Local CAOs.*
- *Develop performance rating criteria for CAOs.*
- *Request Corrective Action signed by DCMDW*

Right Time

Bottom Line

- *ACTS system problems continue.*
- *Problems/concerns communicated to HQ.*
- *We will work with CAOs to optimize system utilization and support improvement activities.*



Right Time

Schedule Slippages on Major Programs

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
• C/S Contracts	3	1
• Schedule Variances	10	2



Right Price

Return On Investment of 10 Percent over FY 96 Baseline

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Contracting Officer Price Neg	16	2
Final Overhead Rates	8	1
Product Noncompliances	8	3
Gov't Property Reutilization	6	2
Litigation	5	4
Others	5	1



Right Price

ROA on Property Reutilized and Sales Proceeds

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Effectiveness of Plant Clearance Process	20	20
Types and Condition of Property Reported	15	2
Effectiveness of Contractors' Property Control Systems	4	5



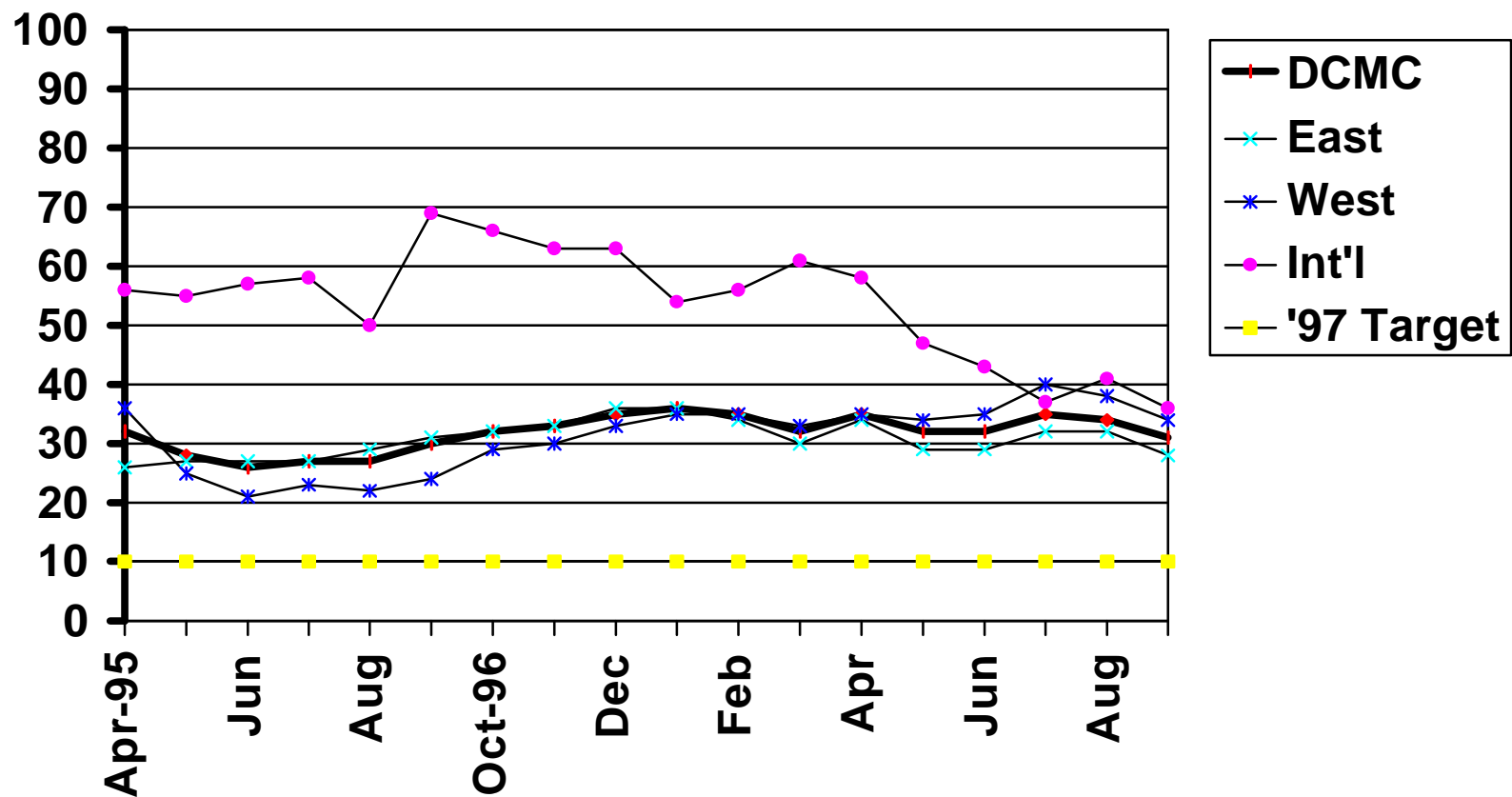
Right Price Negotiation Cycle Time

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Inadequate Proposals		2
Insufficient Funds	Will get some insight from Overage UCA analysis	1
Ambiguous Statement of Work		1
No Forward Pricing Rates		2
Insufficient Staffing		3
????????????????????		



Right Price

Overage UCAs On-Hand
UCAs On-Hand > 180 Days/# UCAs On-Hand





Right Price

Overage UCAs On-Hand

Status: Red

- For Sep, percentage of overage UCAs on-hand dropped to 31% (lowest level during FY 96).
- Sep saw greatest number of definitizations (1547) during FY 96 (within 4% of record set Sep 95).
- But.....we started FY 96 with 30% overage.



Right Price Overage UCAs On-Hand

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Late or Inadequate Proposals	Will know for sure by Feb '97	2
Insufficient Funds		1
Awaiting GFP/Repairables		1
Design Changes being Processed		1
No Forward Pricing Rates		2
Insufficient Staffing		2



Right Price

Reasons For Overage UCAs

- DCMDs to do Pareto Analysis at CAOs below;

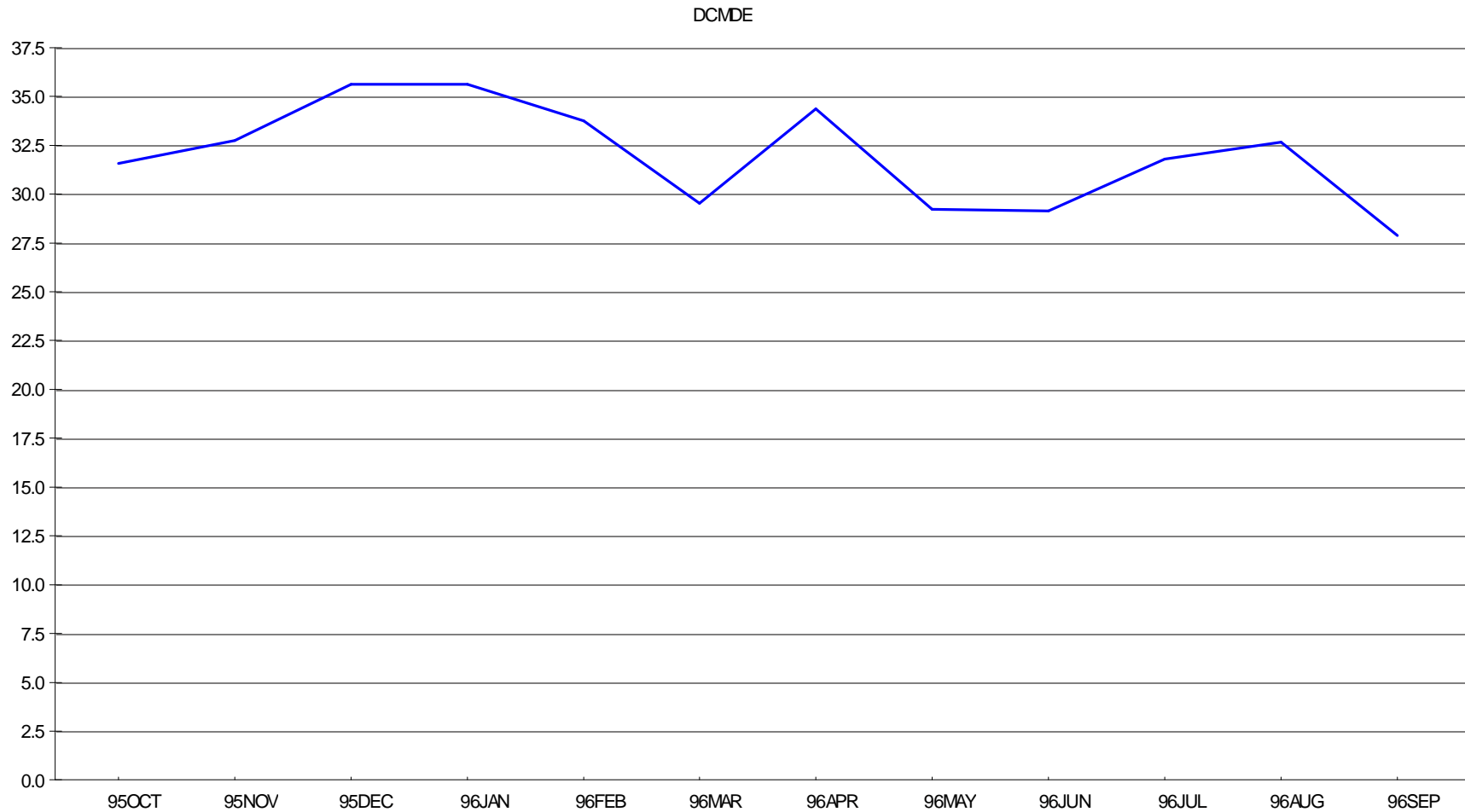
<u>Field Office</u>	<u>Overage UCAs</u>	<u>Overage UCA \$</u>
Grumman Bethpage	246	209M
MD St. Louis	168	31M
Van Nuys	129	19M
Northrop Grum Hawthorne	110	265M
Hughes LA	83	15M
Boston	75	6M
Boeing Seattle	74	58M
Boeing Helicopter	70	40M
Orlando	46	18M
Allied Signal	40	19M
MD Long Beach	35	109M
Total	<u>1076</u>	<u>\$789M</u>

**About 60%
of Overage
UCA \$**

**Over 56%
of Overage
UCAs**

DCMDE

Right Price
UCA DEFINITION
% OF UCAs ON-HAND OVER 180 DAYS



Right Price
UCA Definitization
(% of UCAs On-Hand > 180 Days)

Status: Yellow



FY97 Goal: 10%

- o Overage for Sep 96 is 27.9% (977/3506) measured against FY 97 performance goal of 10%**
- o Reduction of 4.8% from August 1996 (32.7%)**
- o Top ten CAOs with approx. 65% of overage**
- o Based on feedback from Oct MMR and results of previous district initiative visits being scheduled to CAOs at Orlando, Allied Signal, Boeing Helicopter, Boston, Northrop Grumman Bethpage (follow up)**
- o Teams visiting the above CAOs shall identify the reasons for the overage and offer suggestions to improve/correct the process**
- o Get well date: 4th quarter FY 97**

DCMDE

Right Price
UCA Definitization
(% of UCAs On-Hand > 180 Days)

Status: Yellow



FY97 Goal: 10%

TOP TEN DRIVERS

- o **DCMC Orlando (60.5%) - Nonreceipt of GFM repair parts from NAVICP CAO providing assistance. Target recovery: dependent on receipt of GFM**
- o **DCMC Allied Signal (54.8%) - CAO has made significant progress in Sept., CAO continues to prioritize negotiations. Target recovery: Dec96**
- o **DCMC Boeing (53%) - Late receipt of contractor proposals, CAO prioritizing. Target recovery: Mar 97**
- o **DCMC Lockheed Pittsfield (45.5%) - Late receipt of proposals & late GFM. Target Recovery: Dependent on receipt of GFM**

Right Price
UCA Definitization
(% of UCAs On-Hand > 180 Days)

Status: Yellow



FY97 Goal: 10%

TOP TEN DRIVERS (CONT.)

- o **DCMC Boston (41.2%) - Late receipt of government property and late proposals. Target recovery: April 97**
- o **DCMC Grumman Bethpage (40.9%) - CAO has reduced their O/A% from 75% in Jan 96 to 41% this month by incorporating draft recommendations of Tiger Team. Target Recovery: Dec 97**
- o **DCMC Lockheed Sanders (34.1%) - Late receipt of proposals, CAO teamed with contractor to improve. Target Recovery: Jan 97**
- o **DCMC Cleveland (33.3%) - Late receipt of proposals, CAO prioritizing. Target Recovery: Jan 97**

DCMDE

Right Price
UCA Definitization
(% of UCAs On-Hand > 180 Days)

Status: Yellow



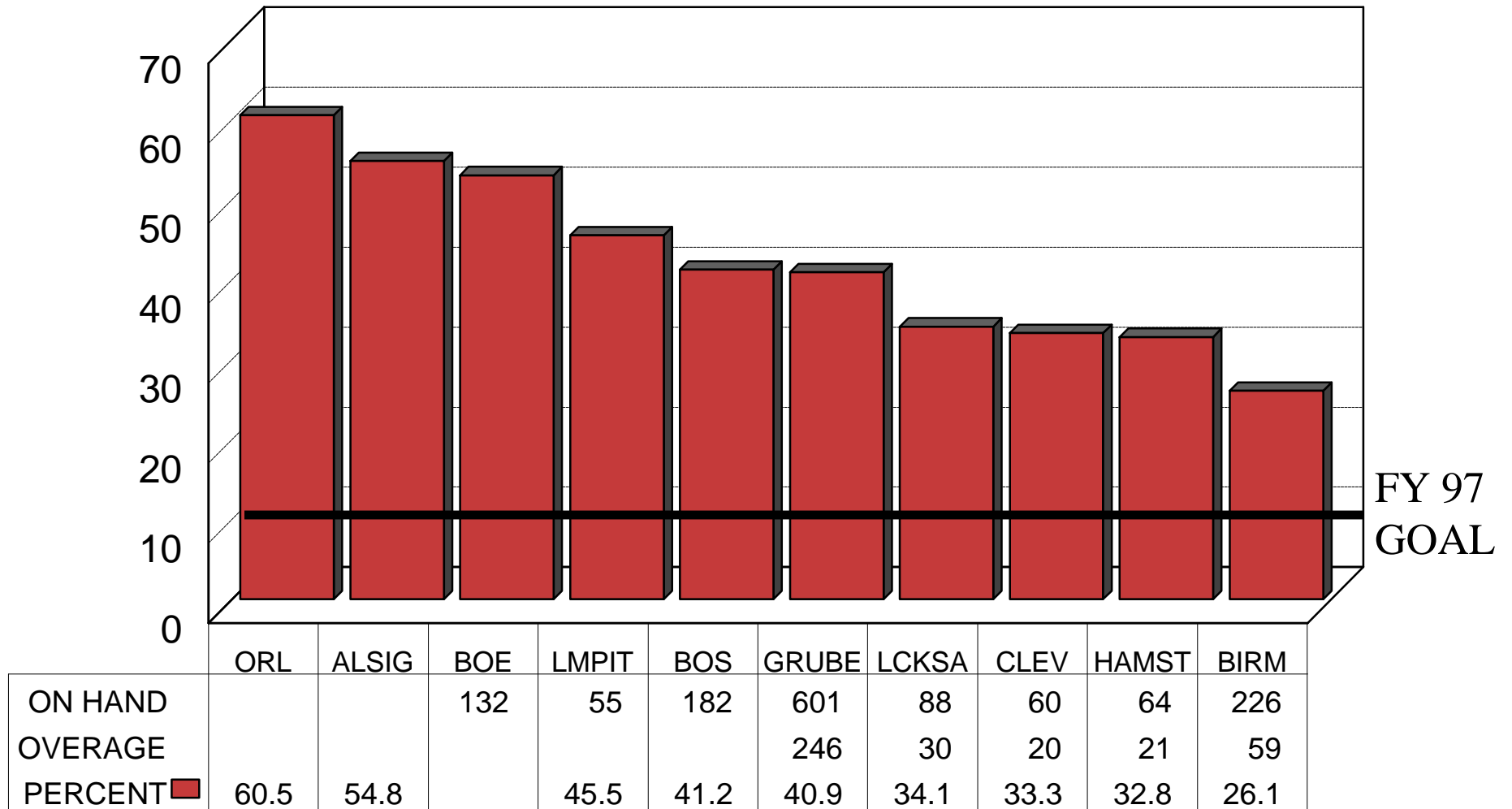
FY97 Goal: 10%

TOP TEN DRIVERS (Cont)

- o **DCMC Hamilton Std (32.8%) - Changes in FPRA/FPRR has caused delays and shift of resources to work on 8 SPI projects. Target recovery: Jan 97**
- o **DCMC Birmingham (26.1%) - Late receipt of GFM. Target recovery: dependent on receipt of GFM**

OVERAGE UNDEFINITIZED CONTRACTUAL ACTIONS (UCA

DCMDE TOP TEN CAOs (FY97 GOAL: 10%)



NOTE: TOTAL: TOP TEN 632/ OVERAGE DISTRICT 977 = 64.7%



Right Price

Overage UCAs On-Hand

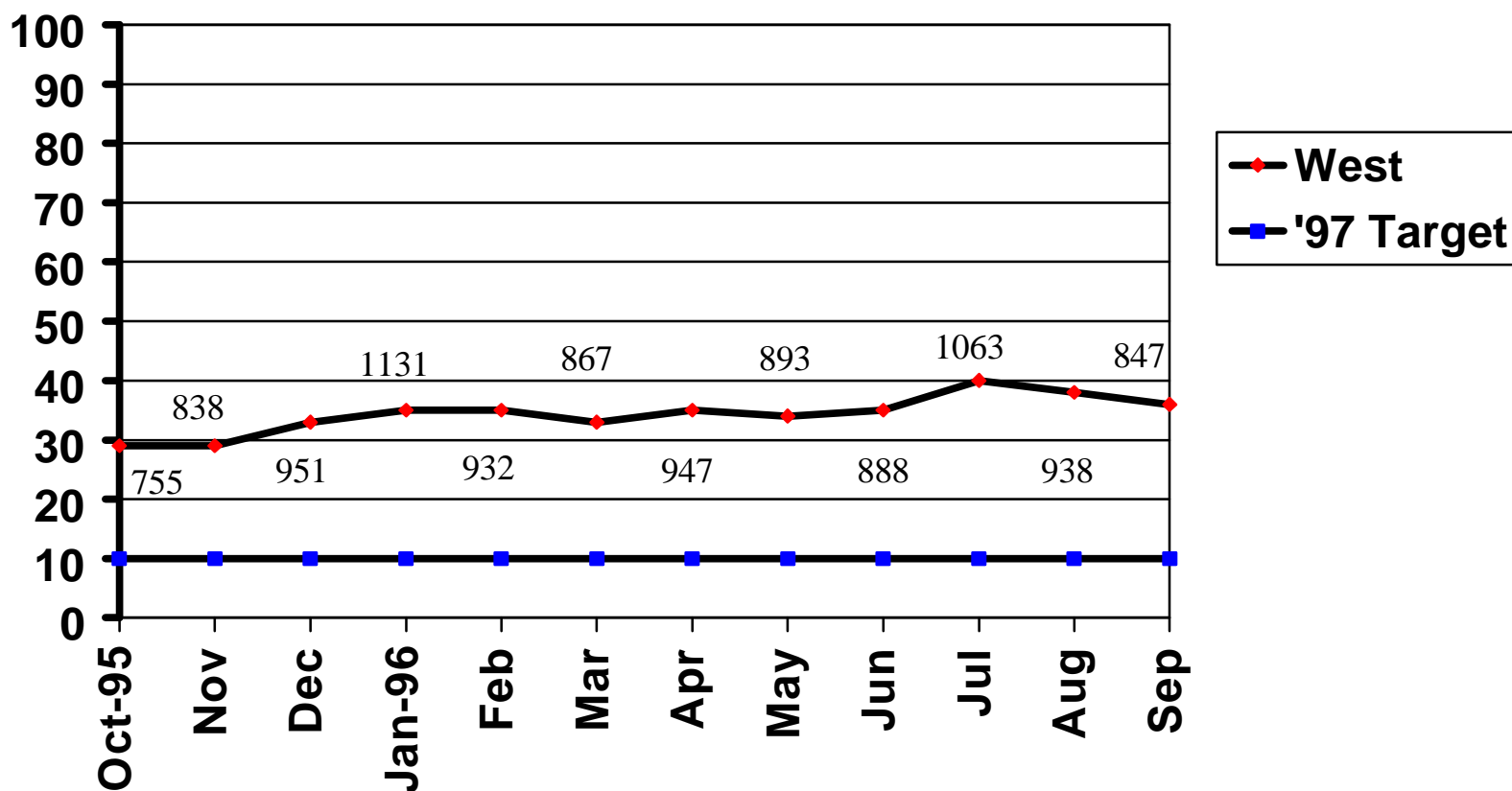
Status: Red

- Total number of UCAs on hand >180 days/the Total number of UCAs on hand
- FY97 Goal
 - 10% and under- Green
 - Over 11% - 25% - Yellow
 - More than 25% - Red
 - Established per August 1996 VTC



Right Price

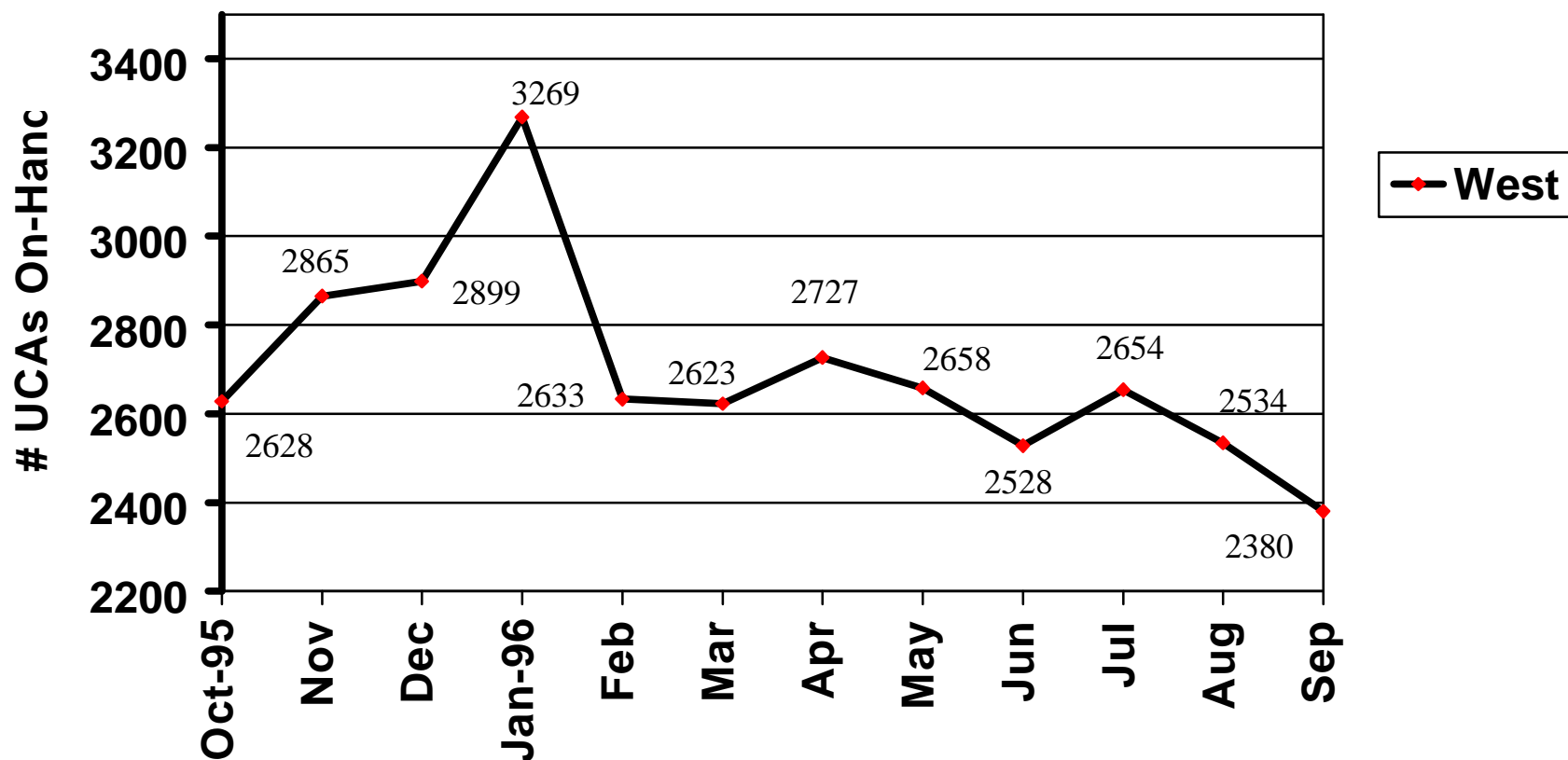
Overage UCAs On-Hand
UCAs On-Hand > 180 Days / #UCAs On-Hand





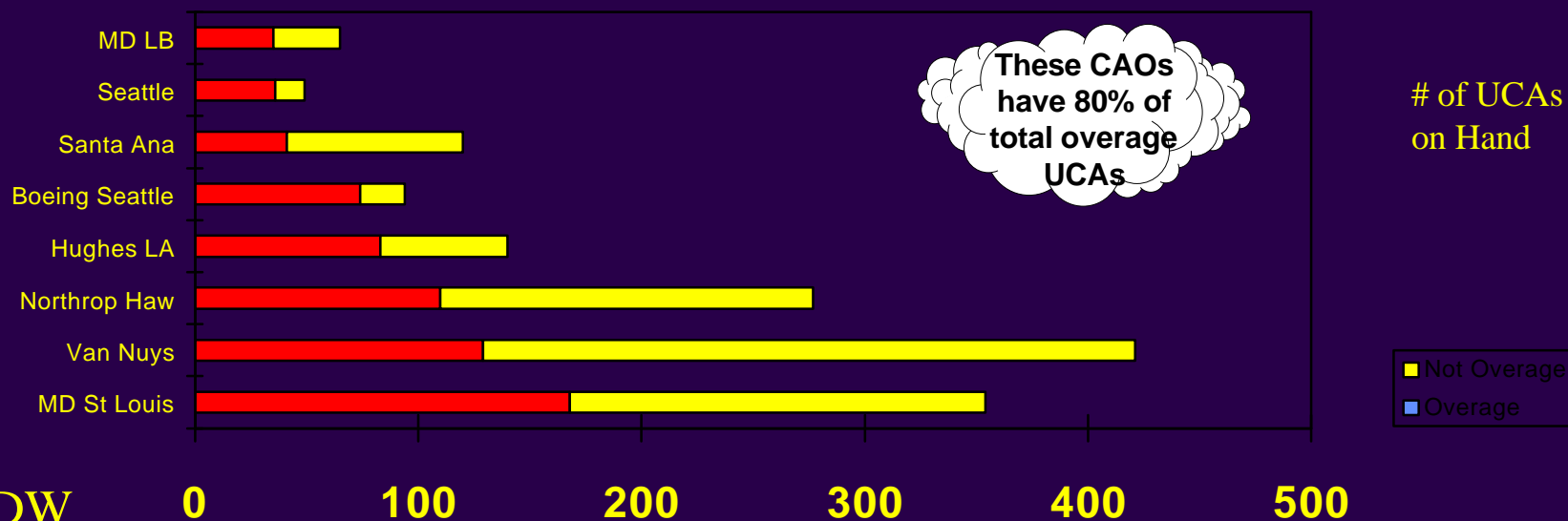
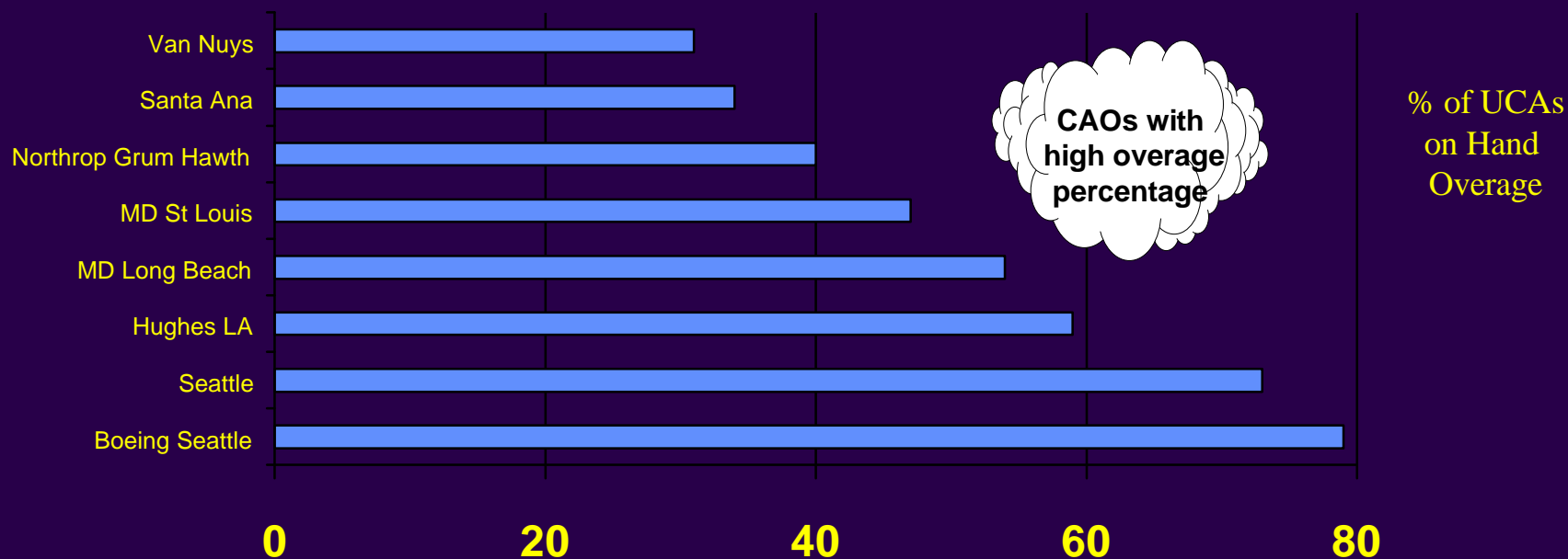
Right Price

of UCAs On-Hand





Pacing CAOs





Right Price

Reasons for Overage UCAs

- BOEING SEATTLE (74 overage, 79%- as of 9/30/96)
- 84 PIOs (10/31/96)
 - 68 for 767 AWACS, 16 for E3-AWACS enhancements
- Root causes for delay
 - Diminishing Manufacturing Sources (DMS)
 - Hazardous material (Ozone depleting chemicals charges (ODC))
 - Design change notices (DCN)
 - Procurement of support equipment and technical manuals
 - Resolution of compatibility testing charges
 - Built-in overage when contract schedule exceeds 180 days



Right Price

Reasons for Overage UCAs

- Corrective actions
 - MOU between DCMC, OC-ALC, AWACS Program Office, the contractor AWACS team and spares group
- DCMC and contractor meet biweekly
 - DMS issues are aggressively being addressed
 - Received DCMC/DCAA audit recommendation
 - Evaluating factor application to proposals
- Results
 - Resolved compatibility testing and technical manual charges
 - SPO approved hazardous material funds
 - Resolved ODC Charges
 - October 96 -- negotiated 29 PIOs (11 definitized and 18 in final signing process)
 - As of November 18, 1996 - 12 more PIOs definitized and 10 in final signing process
- 50 overage out 78 on hand (64%)



Right Price

Reasons for Overage UCAs

- SEATTLE (36 overage, 73%)
 - Orders received for ACO negotiation were overage when delegated by the Buying Activity (NAVICP)
- Corrective actions
 - Requested and received additional funding to complete negotiations
 - Actively negotiating the remaining orders
- HUGHES LA (83 overage, 59%)
 - Down from 108 overage, 80% in July 96
 - Two ACO positions vacant, delayed negotiations at Fullerton and Long Beach
- Corrective actions
 - Steadily working down UCAs
 - Filling ACOs positions



Right Price

Reasons for Overage UCAs

- MD LONG BEACH (35 overage, 54%)
 - Design Changes
- Corrective actions
 - AF transferred responsibility for design changes from SA-ALC to CASC in Battle Creek, MI
 - Projected get well date approx - Apr 97
- MD ST LOUIS (168 overage, 47%)
 - Increased workload from Buying Offices
 - Downsizing/Reorganizing
- Corrective actions
 - Established Forward Pricing Agreement - FY96
 - Holding joint meetings to set negotiation priorities
 - Recently completed intensive joint effort to reduce



Right Price

Reasons for Overage UCAs

- Ongoing effort to improve negotiation process by joint Performance Based Management (PBM) team
- Converted 2 GS-1102 Cost/Price Analysts to Contract Administrators
- NORTHROP-GRUMMAN HAWTHORNE (110 overage, 40%)
 - Awaiting additional funds
 - Contractor's late and inadequate proposals
- Corrective actions
 - Funding requested
 - OC/ALC, DCMC working group established
 - Executive level oversight (Contract Management Review)
 - DCMC weekly team meetings to resolve issues and track problems
 - Reduced contractor's repropoals



Right Price

Reasons for Overage UCAs

- SANTA ANA (41 overage, 34%)
 - Down from 90 overage, 43% in Jan 96
 - 27 AC-130U Gunship orders overage
 - Corrective Actions
 - IPT Pricing approach being utilized to work backlog
 - # Overage decreased from 67 (7/96) to 41 in 9/96
 - Management is heavily involved in the process
- VAN NUYS (129 overage, 31%)
 - Late receipt of repairables
 - Inadequate proposals
- Corrective actions
 - Establishing functional process owners for key processes to ensure consistency of applications, training and improvement across the CAO



Right Price

DCMDW ACTIONS

- DCMDW-O letter Aug 96 to CAO Commanders with high overage
 - Corrective action plans requested
- DCMDW UCA Review Team
 - District review team established
 - Team will visit 6 CAOs to evaluate/analyze contract files and corrective action plans
 - Team will recommend policy/process changes if necessary



Right Price

DCMDW UCA Review Team

<u>CAOs</u>	<u>Visit Dates</u>
• Hughes-LA	12/2 - - 12/5/96
• Northrop-Hawthorne	12/9 - - 12/12/96
• Boeing/Seattle	12/16 - - 12/20/96
• MD Long Beach	1/6 - - 1/9/97
• MD St. Louis	1/13 - - 1/17/97
• Van Nuys	1/21- - 1/24/97



Right Price Bottom Line

- DCMDW Overage UCAs on downward trend
 - Jul 96 -- 40%
 - Aug 96 -- 38%
 - Sep 96 -- 36%
- Process will be reviewed for improvement at selected sites
- CAO management actively involved in developing corrective action and get well plans



Right Price

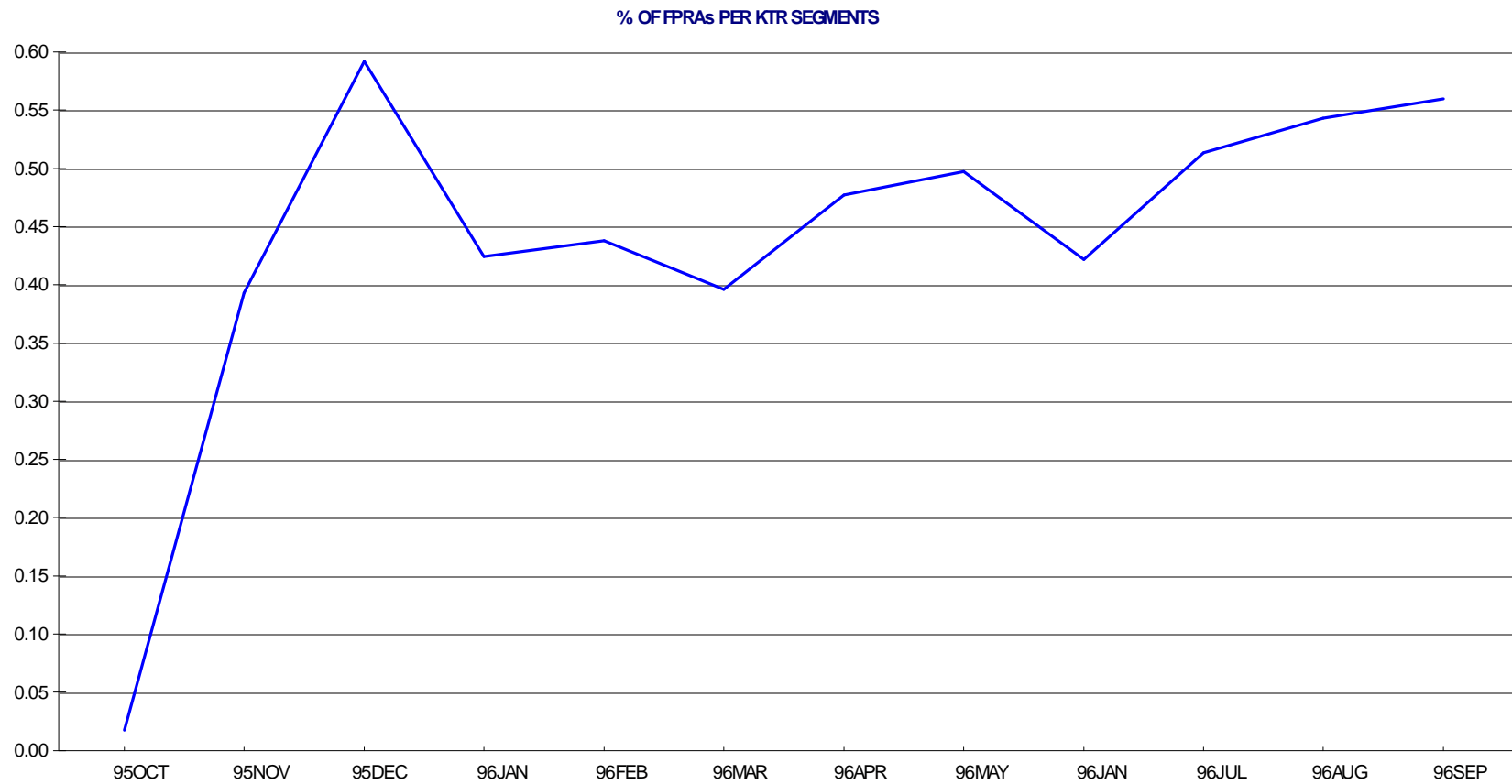
FPRAs - # Completed/# Beneficial Segments

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
No. and Value of Pricing Actions	3	0
No. Regulations Requiring Proposal	2	0
Dynamic Business Base	3	0
Consolidation of Industry	3	0
ACO Negotiation Process	6	1

Right Price
 FPRA COVERAGE
 % COVERAGE OF FPRAs

DCMDE

Layer 1/45



DCMDE

Right Price
FPRA Coverage
(% of FPRAs\Possible beneficial segments)

Status: Yellow



FY 97 Goal: 60% FPRA Coverage

- o FPRA coverage for September was 56% an increase of 5% from August - Yellow Rating
- o DCMDE expects to reach goal by December 1996
- o 19 of 38 sites do not meet FY 97 goal of 60%
 - oo 60% of beneficial segments must have either full, limited or tailored FPRA
 - oo 9 sites do not have any beneficial segments and are not included in the calculation
- o Corporate restructuring, reorganization or merger/buyouts high driver at:
 - oo DCMC Lockheed Martin Def Sys (formerly Loral Unisys) Great Neck, NY
 - oo DCMC Allied Signal
 - oo DCMC Stratford
 - oo DCMC Hartford
 - oo DCMC Lockheed Martin, Orlando

DCMDE

Right Price
FPRA Coverage
(% of FPRAs\Possible beneficial segments)

Status: Yellow



FY 97 Goal: 60% FPRA Coverage

Comments (cont.)

<u>CAO</u>	<u>% FPRA Coverage</u>	<u>Reason/Rationale</u>
Allied Signal	0%	Corporate Restructuring
Boeing Helicopter	0%	Currently working
Detroit	0%	Will obtain 1 FPRA by Nov 30
Grumman Melbourne	0%	3 of 4 FPRAs to be reported for Oct
LM Orlando	0%	Corporate Restructuring
Michoud-Stennis	0%	Currently in Progress
Orlando	0%	9 FPRAs Expected by Oct 31
Hartford	0%	Fluctuations in sales prevent FPRA ⁸⁰

DCMDE

Right Price
FPRA Coverage
(% of FPRAs\Possible beneficial segments)

Status: Yellow



FY 97 Goal: 60% FPRA Coverage

Comments (cont.)

<u>CAO</u>	<u>% FPRA Coverage</u>	<u>Reason/Rationale</u>
Springfield	0%	2 FPRAs in Oct - 1 segment dropped
Straftord	0%	Corporate buyout\mergers
LM LI(Unisys)	0%	Corporate Reorganization
Cleveland	25%	Expected to obtain 2 FPRAs

DCMDE

Right Price
FPRA Coverage
(% of FPRAs\Possible beneficial segments)

Status: Yellow



FY 97 Goal: 60% FPRA Coverage

Comments (cont.)

<u>CAO</u>	<u>% FPRA Coverage</u>	<u>Reason/Rationale</u>
LM Defense Sys	33%	2 FPRAs in Oct - 100%
Clearwater	37.5%	2 additional FPRAs w/in 6 mths.
Raytheon	50%	1 FPRA in Oct - 100%
Syracuse	50%	Currently working issues



Right Price

Cost Overruns on Major Programs

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
• C/S Contracts	3	3
• Cost Overruns	10	4



Right Price

Amount of Loss, Damage, and Destruction

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Effectiveness of Contractors' Property Control Systems	10	2
Effectiveness of Property Administration Process	5	4
Amount/Type of Property Provided	1	1



Right Advice

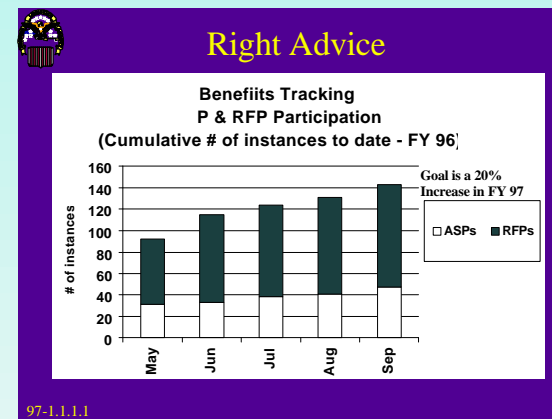
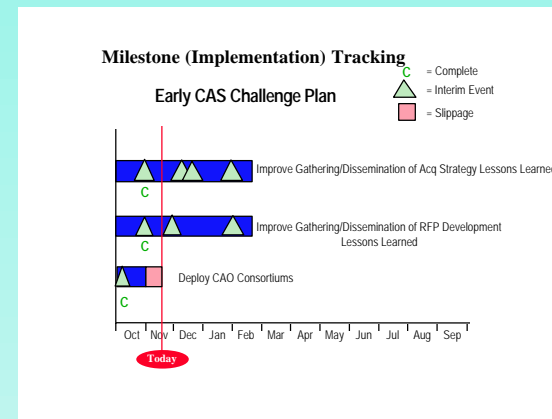
ASP & RFP Participation

Cumulative # Instances

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Command Emphasis	10	10
Lessons Learned Gathering & Dissemination	7	7
Policy/Infrastructure	7	10
Customer Receptiveness	10	3

1.1.1-Early CAS Challenge: ASP & RFP Participation

- Goal/Target: 20% Increase in ASP and RFP review actions compared to FY 96 baseline. 10% increase in repeat business (ASPs and RFPs) compared to FY 96 baseline.
- Status: 31 Oct 96 Update: Questions for liaison use in interviewing acquisition leaders at buying activities submitted to AQ for signature. Early CAS Lessons Learned Improvement Plan modified to incorporate liaison interviews of customers. Alternative to CAO Consortiums being explored.
- POC: Primary: David James, AQOD. 767-3378 Alternate: Nelson Cahill, AQOD, 767-3434



97-1.1.1.1



Right Advice

ASP & RFP Participation - Repeat Business

Cumulative # Instances

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Command Emphasis	10	10
Lessons Learned Gathering & Dissemination	10	7
Policy/Infrastructure	7	10
Customer Receptiveness	7	3



Right Advice Metric

Percentage of Software Recommendations Adopted

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
• Training (Software Professional Development Program) of s/w surveillance workforce	2	1
• Time (in relation to Number & Quality of Recommendations generated) spent on s/w surveillance	1	1



Right Advice CAL

% Contractors on the CAL

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
65% Delivery Rate	1	1
Level III/IV CAR	1	2
Negative PAS	1	1



Right Advice

SPI - Processes Modified/Processes Submitted

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
ACO facilities review of process	1	1
ACO gathers positions from customers	1	1
Agreement of customers	2	1
Technical feasibility	3	1
Potential cost savings	3	1
Long term implementation effects	3	1
Promoting SPI	2	3



Right Advice

Preaward Survey Timeliness

Surveys Complete On-Time/# Surveys

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Mail	4	0
Need Date	4	2
Complexity	2	2
PASM Availability	1	1



Right Advice

Reduction in the Amount of DoD Property

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Customer Decisions to Provide Property	10	1
Effectiveness of Property Administration		
• Utilization Reviews	3	4
• Acquisition Reviews	2	3



Right Advice

Percent of Property Reported Excess

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Effectiveness of Contractors' Property Control Systems	10	5
Effectiveness of Utilization Reviews	5	10
Customer Disposal/Retention Decisions	2	1



Right Reception

Customer Satisfaction 4.1.1

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Establishing good relationships	10	3
Program Integrators	8	8
Program Support Team	6	6
Liaisons	3	8



Right Reception

Service Standards 4.1.3

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Number of staff	5	8
Support Techn./Infrastructure	7	8
Knowledge/Attitude of Admin staff	9	6
Knowledge/Attitude of Functional Experts	7	6



Right Reception Post Card Trailers

Process Drivers

Relative Impact on Top Level Metric

Relative Degree of Influence/Control

The product characteristics that we ask the recipient to rate.

Relative ranking when empirical evidence available.



Right Reception

Customer Satisfaction

Status: Green

- Target: 4.0/6.0 Oct: 5.2/6.0
 - Trend: Oct: 5.2 Sept: 5.2 Aug: 5.3
 - Essentially constant - different customers
- October results
 - (6) - 42% (5) - 41% (4) - 15%
 - (3) - 1% (2) - 1% (1) - 0%
- (6) is completely satisfied, (1) is dissatisfied
- Analysis follows



Right Reception

Customer Satisfaction

Analysis Level 1: Oct data: 5.3/6.0

- Good news
 - Several “great support” comments
- Needs work
 - Navy Harpoon response
 - Item managers response



Right Reception Customer Satisfaction

Analysis Level 2: Navy Harpoon Response

- Issue
 - Quality of reports vary
 - PM office has to duplicate effort
- Action
 - DCMDE contacted DCMC St Louis
 - DCMDE contacted DCMDW
 - DCMC St Louis following up with PCO



Right Reception

Customer Satisfaction

Analysis Level 2: Item manager response

- Issue
 - Some item managers don't know about/deal with DCMC. One NAVICP IM scored us (2) over all -- didn't like survey, wrong person
 - Is survey focused at the right level?
- Action
 - HQ DCMC (AQOA) to look at responses and define right customer ECD: 22 Dec
 - Potential change to business plan



Right Reception Service Standards

Status: HQ - Trial run

Districts: N/R

- HQ Results
 - Surveyed District and HQ staffs
 - 96% of opportunities for “yes” met
- Issue
 - Union does not want names recorded
- Plan - ECD 2Q/97
 - Revise survey
 - Establish performance baseline

BP: 4.1.3



Right Efficiency





Right Efficiency

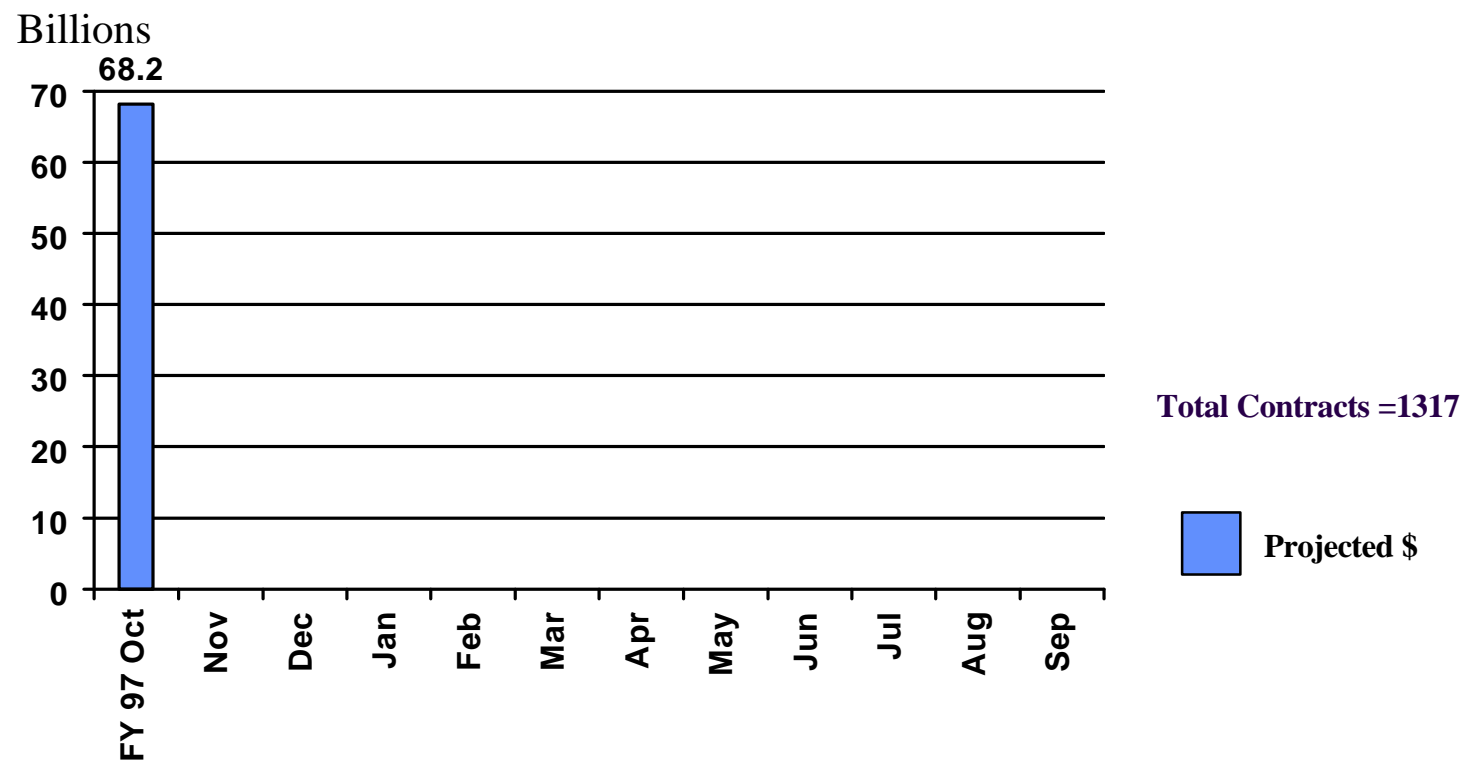
Contract Closeout - Overage Contracts w & w/o Canceling Funds

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Awaiting final overhead rates	10	5
Awaiting final invoice	5	4
Awaiting final payment for reasons including posting errors, and not enough of the correct FY funds	4	3
Awaiting final audit results	3	3



Right Efficiency Contract Closeout

Total \$ Projected to Cancel FY 97





Right Efficiency

Contract Closeout

Status: YELLOW

- **Trend still favorable contracts overage w/out canceling funds 14%**
- **DCMC is at 6% for contracts overage with canceling funds 2% over the established goal of 5%**
- **Processing AWR for change to MOCAS to allow data capture**
- **Manual method used to capture data for the 5% bogie**



Right Efficiency Contract Closeout

Manual Method Used to Track Canceling Funds

- **MOCAS GENERATED REPORTS:**
 - 690E Canceling funds Report
 - UYCM19 Part D Overage Contracts Report

- **FORMULA**

UYCM19

East 10,979

UNFA690E

East 634

$638 / 10975 = 5.9\%$ Overage w/canceling funds



Right Efficiency

Contract Closeout

CANCELING FUNDS FY 97

- **HQ's will track canceling funds for FY 97 starting in Oct and brief at the monthly MMR's.**
- **The purpose is to identify systemic drivers and address the problems before funds are canceled.**
- **HQ's will coordinate with the district's and FASST Team Reps to ensure accurate data is captured.**



Right Efficiency Contract Closeout

Status: Green

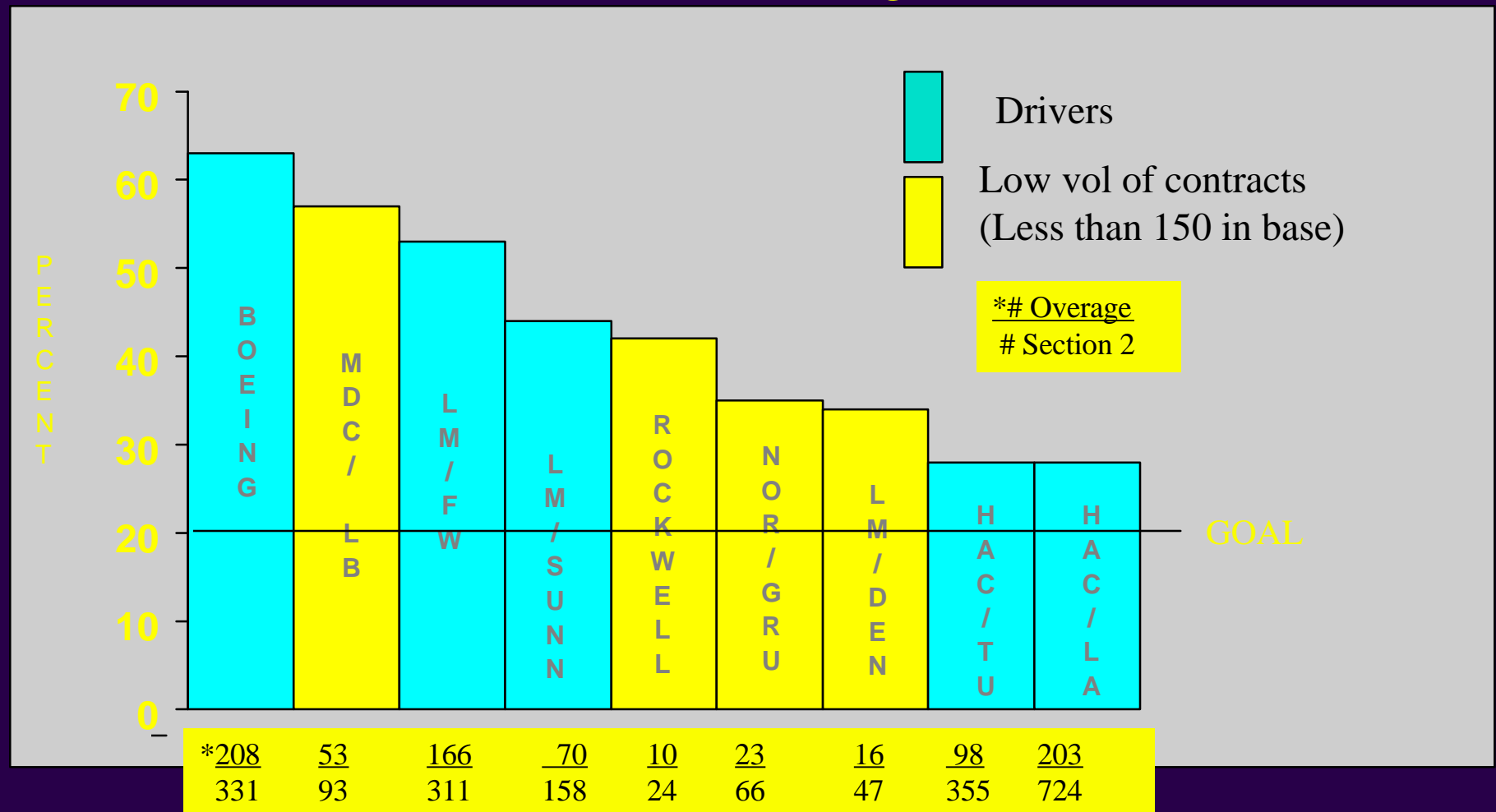
Comments

- Performance measurement: Overage contracts/contracts awaiting closeout
- Goal: Not more than 20% overage contracts
- District West - 15%



Right Efficiency

Contractors Exceeding 20% Goal





Performance Goal 1.3.1

Continually improve contract closeout process so that not more than 5% of physically completed contracts have funds due to cancel at the end of the FY

Status: YELLOW

- District West - Sep = 7.34%
- New goal established under the FY '97 Business Plan
- Data available at the District Level only



Performance Goal 1.3.1

Continually improve contract closeout process so that not more than 5% of physically completed contracts have funds due to cancel at the end of the FY

We are working closely with Headquarters and DCMDE to develop a method of capturing the data at the CAO level, *without* putting additional reporting requirements on the CAOs.

TALKING PAPER

SUBJECT: FY 97 DCMC PERFORMANCE METRIC 4.2.2.2

Overage percent of closed contracts (CAR Part A, Section 2) Goal = 20%

FY 97 DCMC PERFORMANCE GOAL 1.3.1

Continually improve all facets of the contract close-out process (Target = <5% goal for contracts with canceling funds, <20% contracts without canceling funds)

PROCESS/INITIATIVE DESCRIPTION:

DCMC approach to reduce the percent of overage close-outs and ensure a continuing downward trend.

STATUS/SUMMARY:

Overall goal met. District overage at 15% for September. Data taken from Power Play

Canceling funds goal of 5% not achieved, District at 7.34% for September

Discussion:

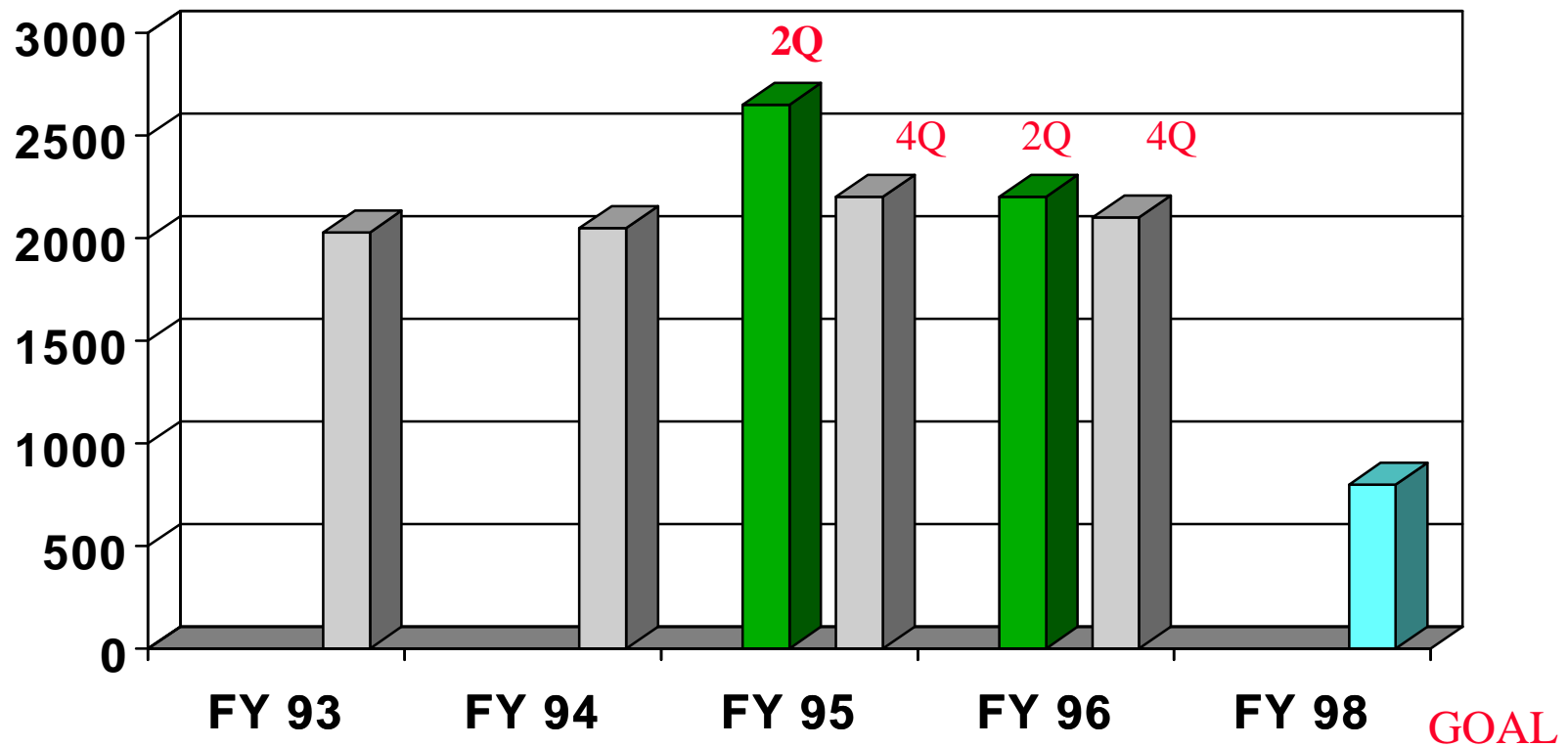
Coordination between CAOs, District and Headquarters continues to result in better methods of capturing data and improving the process.

DCMC POC: Maj. Floyd Smith 703-767-3436

DCMDW POC: Julia Johnstone 310-335-3692



Final Overhead Negotiations Backlog





Final Overhead Negotiations

Status of Negotiations

	<u>Proposal</u>	<u>Audit</u>	<u>Negotiation</u>
West	18%	32%	49%
East	33%	26%	41%
DCMC	26%	29%	45%

As of 9/96



Final Overhead Negotiations

Status of Negotiations

	<u>Proposal</u>	<u>Audit</u>	<u>Negotiation</u>
9/93	21%	46%	33%
3/95	31%	39%	30%
9/95	20%	31%	49%
9/96	26%	29%	45%



Final Overhead Negotiations

	<u>In</u> <u>Negotiations</u>	<u>Over</u> <u>6 Months</u>	<u>% Overage</u>
East	408	315	77%
West	<u>543</u>	<u>417</u>	<u>77%</u>
DCMC	951	732	77%



Final Overhead Status - Issues

	<u>No Overages</u>	<u>Tough Issue/ Legal</u>	<u>Home Office</u>	<u>DCIS or ASBCA</u>	<u>Board of Review/ Writeup</u>	<u>*Remain- ing</u>
East	315	12	41	11	45	206
West	<u>417</u>	<u>23</u>	<u>85</u>	<u>-</u>	<u>44</u>	<u>265</u>
DCMC	732	35	126	11	89	471

97-1.3.1.2

*Includes DCAA additional involvement; waiting on prior years, fact-finding, and ones in negotiations.

Open Overhead Negotiations

DCMDW



Performance Goal Task 1.3.1.1

Reduce No. of Open O/H Negotiations

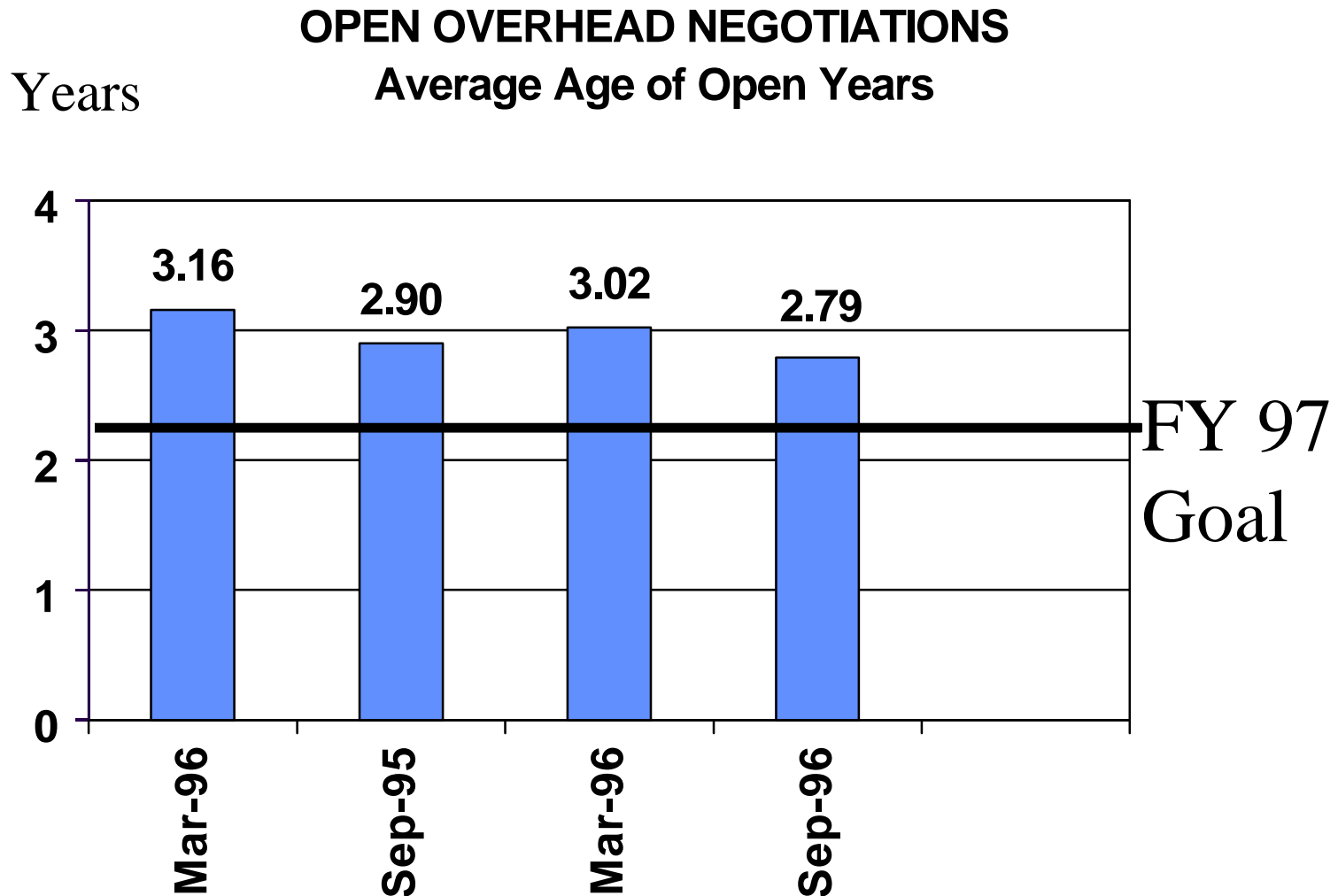
Status: Red

- Goal: Reduce number of Open O/H Negotiations to an average of 2 years
- Rating Basis
 - Sep 96 data & forecast that not all CAOs will achieve the 2 yr. average



Performance Goal Task 1.3.1.1

Reduce No. of Open O/H Negotiations

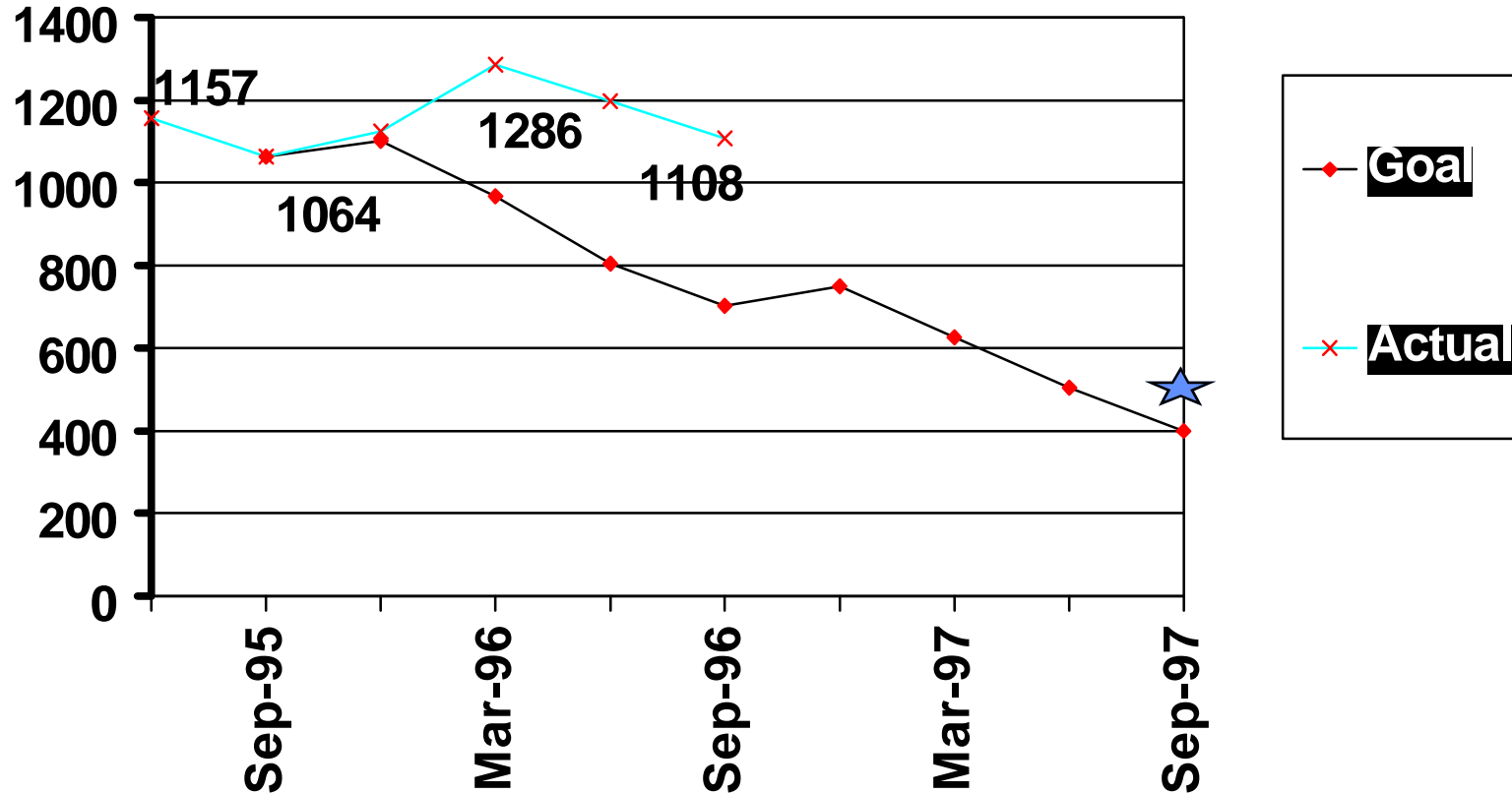




Performance Goal Task 1.3.1.1

Reduce No. of Open O/H Negotiations

Open Overhead Negotiations
DCMDW Final Overhead Settlement Plan





Number of Open ACO Negotiated Overhead Years

1994 CAS PAT Recommendation
Cycle Time of 24 months by 1998 - 2 year cycle

Average Age

FY1989 Average 55 months - 4.6 years

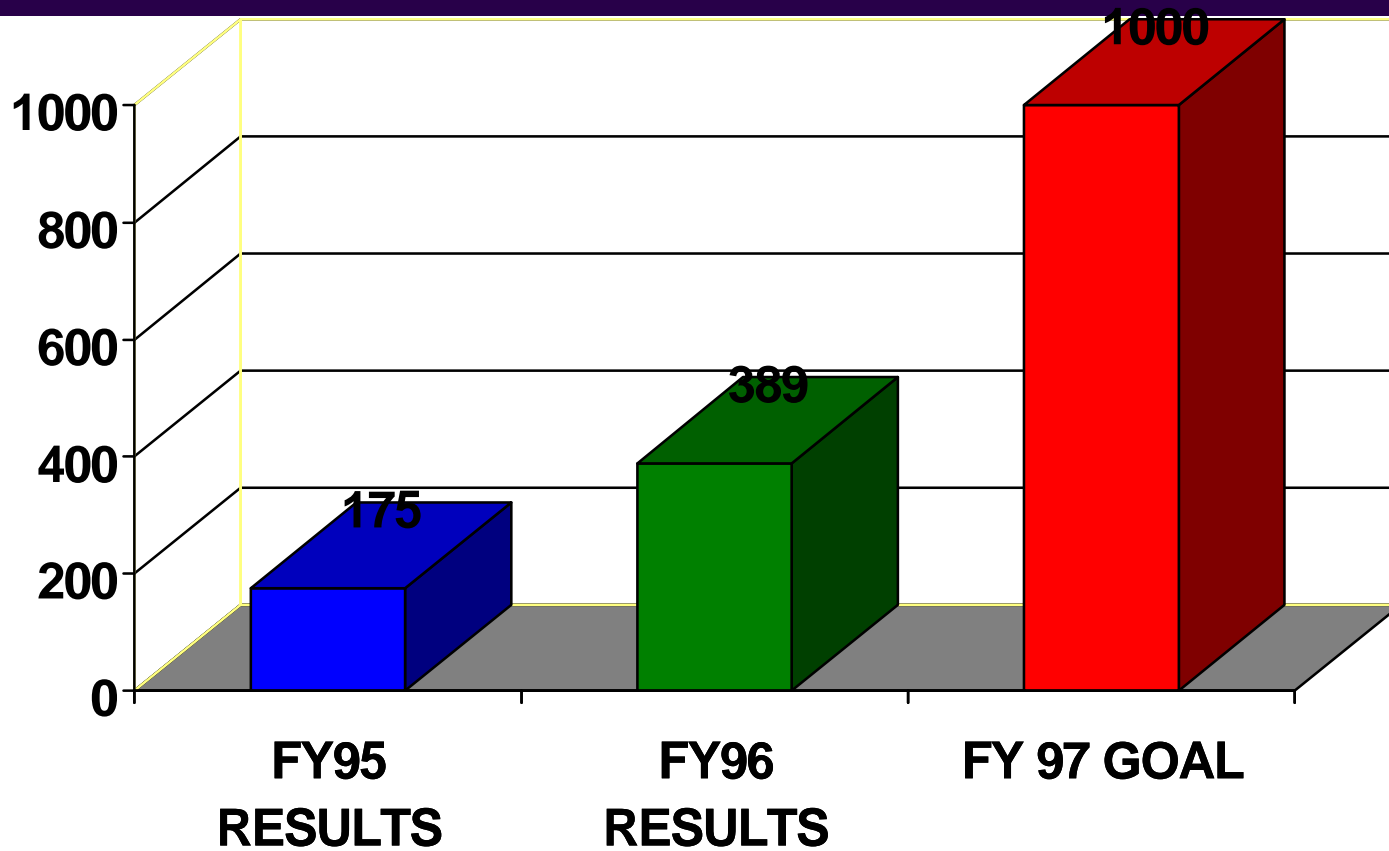
FY1994 Average 48 months - 4 years

DCMDW Assessment

Average Age of Backlog - 32 months



Final Overhead Settlements





Oct 96 MMR Question

Drill down for CAO reasons “In negotiations - older than six months from receipt of DCAA Audit”

PROPOSALS IN NEGOTIATION

	<u>Sep 96 Total</u>	<u>Sep 96 Less than 6 Months</u>	<u>Sep 96 More than 6 Months</u>
West	543	126 (23%)	417 (77%)
East	<u>408</u>	<u>94</u> (23%)	<u>314</u> (77%)
TOTAL	951	220 (23%)	731 (77%)



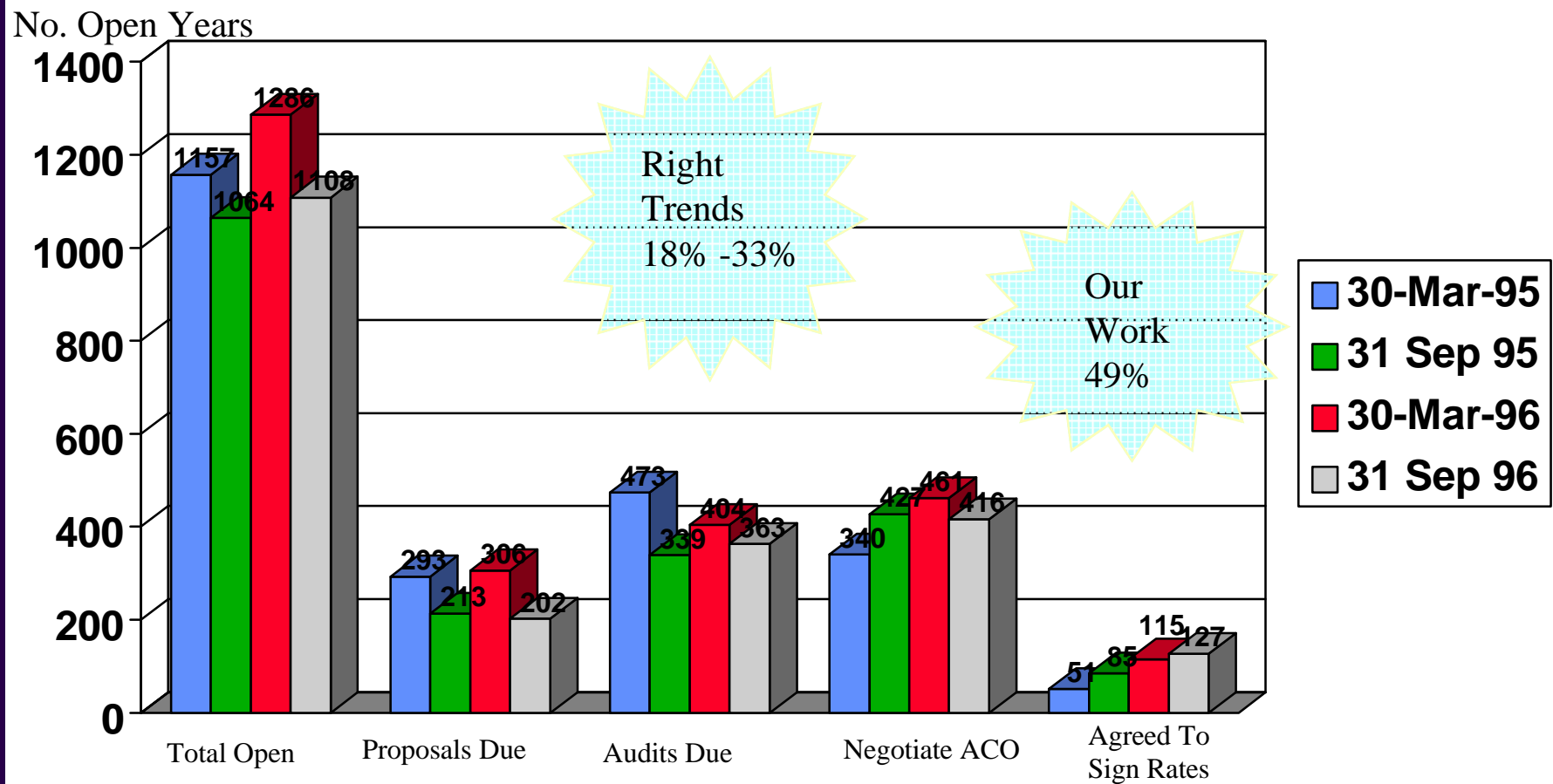
Reasons for Overage

	<u>Total</u>	<u>East</u>	<u>West</u>
• Tough Issues	31	12	19
• In Contract Board of Review	60	45	15
• Waiting on Home Office Allocation	136	41	95
• DCIS Delayed	11	8	3
• DCIS On-Site	3	3	0
• ASBCA Case	23	12	11
• Other	<u>467</u>	<u>193</u>	<u>274</u>
	731	314	417

97-1.3.1.1 (DCMDW)



Western District Final Overhead Rate Settlements Process Status





Bottom Line

DCMDW has progressed, but must substantially accelerate to meet goal.

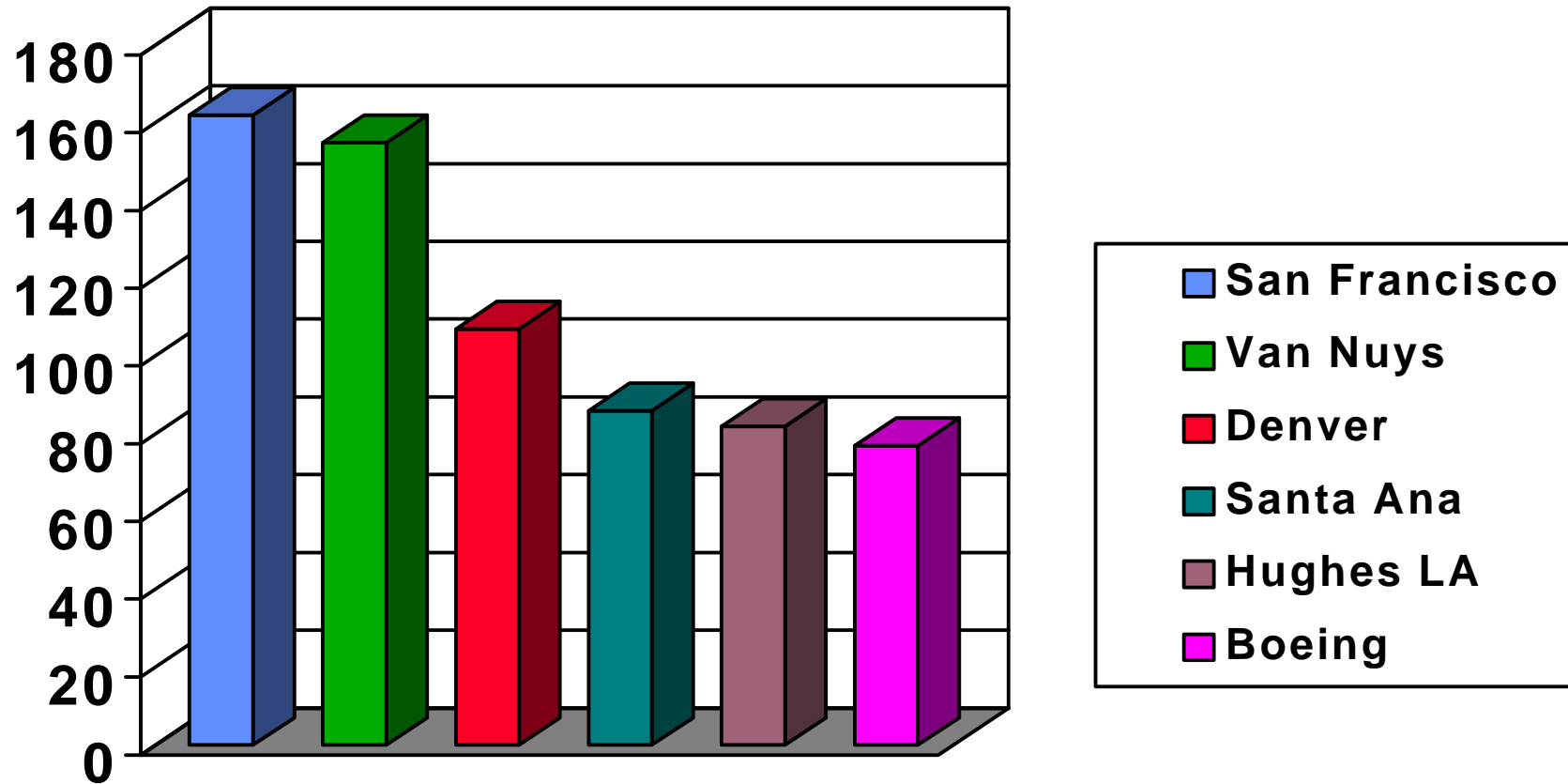
Continued management emphasis needed.

New overhead metrics will facilitate process management.



Implementation Tracking

Pacing CAOs





Implementation Tracking

DCMDW Major Reason Grouping

- DCAA Additional Involvement
- Legal Office Involvement
- Awaiting Prior Years Negotiated
- Scheduling Negotiations
- Corporate Office Flow-Down
- ACO Fact Finding
- ACO In Ongoing Negotiations
- ACO Tentative Agreements

<u>No</u>	<u>Percent</u>
30	7
23	5
40	10
65	15
95	23
<hr/>	
81	20
39	9
44	11
<hr/>	
417	100

Snails
Pace
60%

Active
40%



Actions In Negotiation

Initial Audits Over 6 Months Old

No

30 DCAA Additional Involvement

11 Preparing Supplemental Audits

19 Re-evaluating Subsequent Data

23 Legal Office Involvement

11 ASBCA Cases

3 On hold DCIS Cases

9 Other (Tough Issues)

65 Scheduling Negotiations

95 Corporate Office Flow-Down

17 Agreement awaiting Home Office Settlements

78 Waiting for Home Office prior to segment negotiation



In Negotiations

Initial Audits Over 6 Months Old (Cont)

Active

No

81 ACO Fact Finding

39 ACO In Ongoing Negotiations

44 ACO Tentative Agreements

19 Preparing PNM and Board of Review Package

15 At Contract Board of Review

10 Other (Tough Issues)

417 TOTAL



Right Efficiency

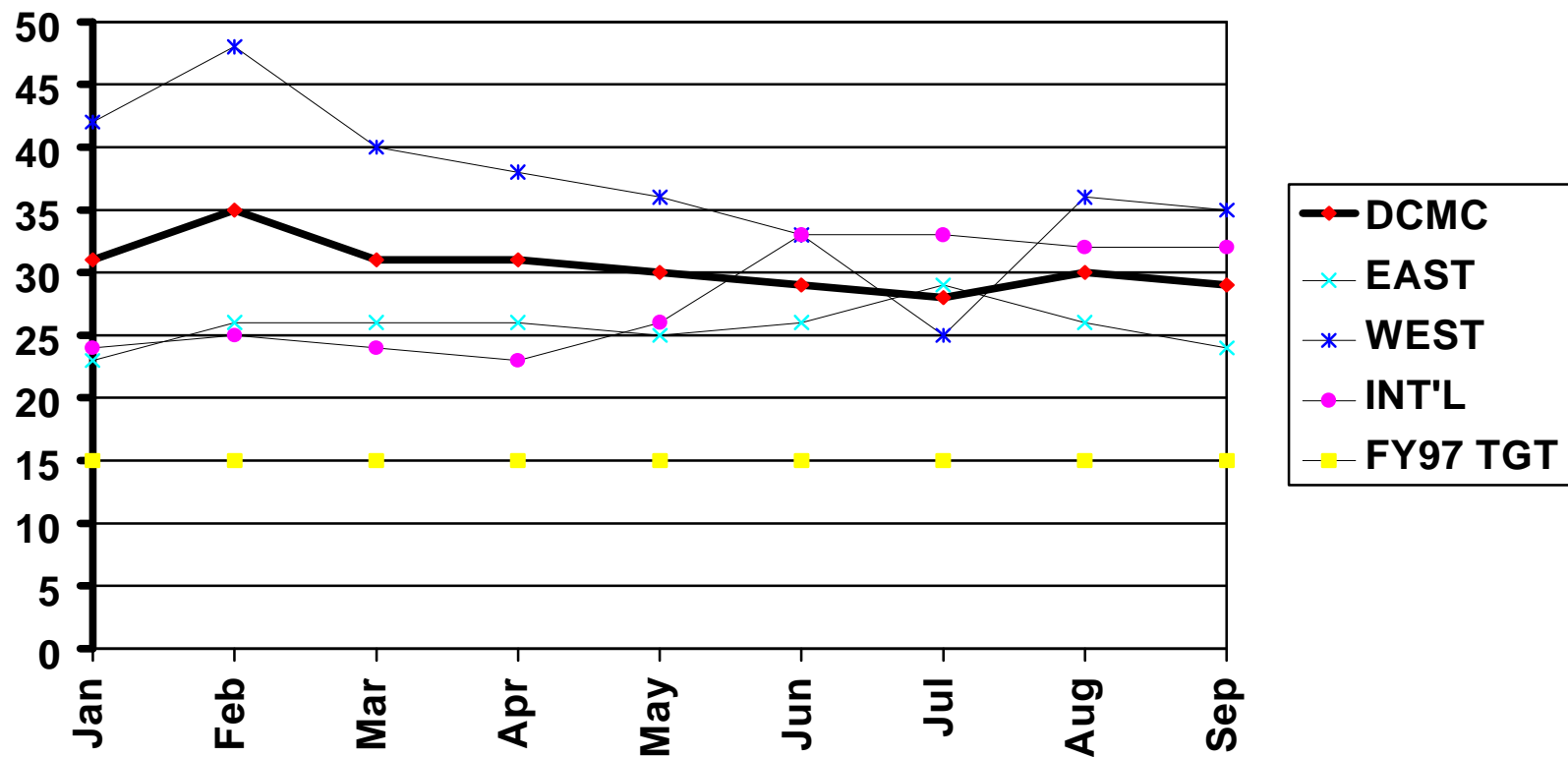
Termination Actions - Overage Dockets

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Protracted Negotiations	14	3
Plant Clearance	7	3
Unilateral/final decisions	7	2
Late proposals	4	1



Right Efficiency

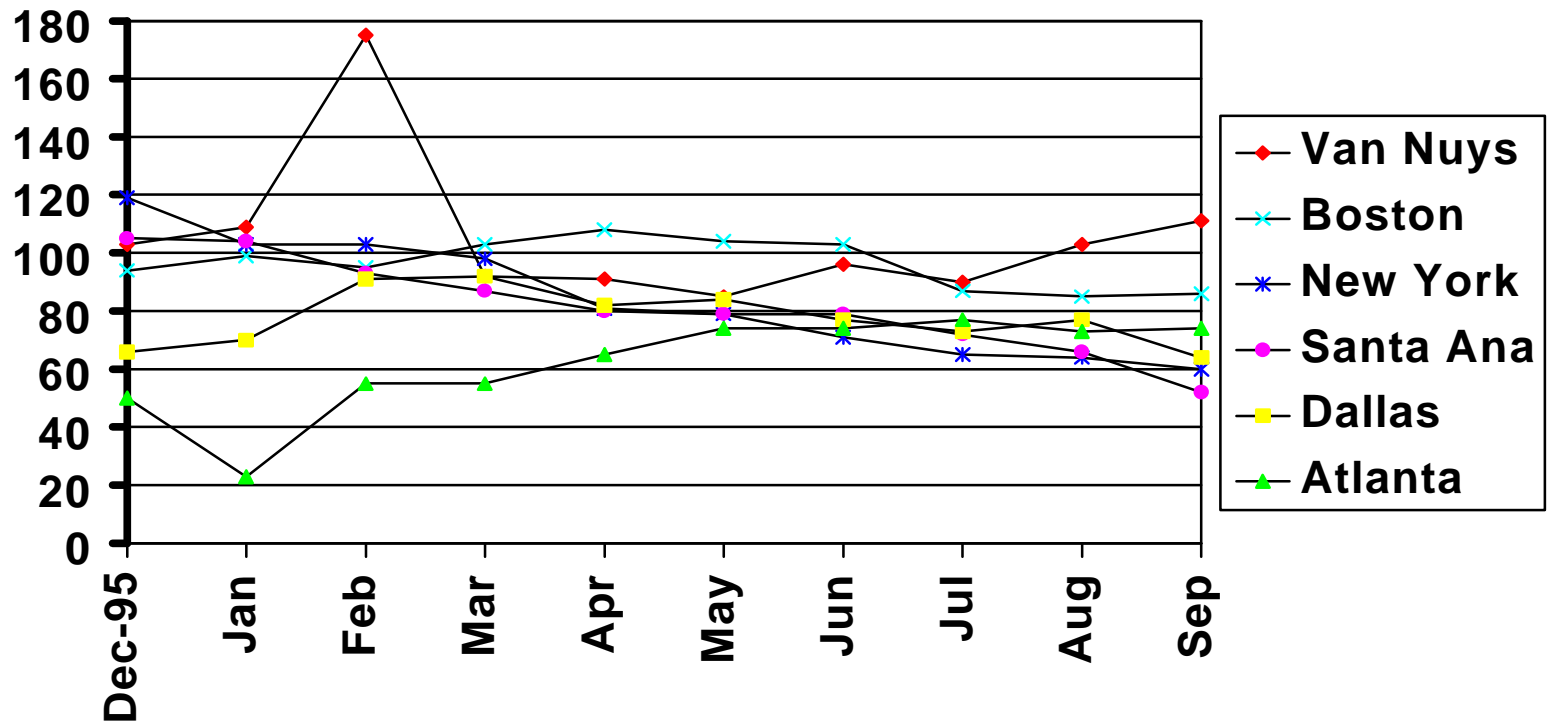
TERMINATION ACTIONS
PERCENT OF DOCKETS OVERAGE





Right Efficiency

TERMINATION ACTIONS
PACING ORGANIZATION
NUMBER OF OVERAGE DOCKETS





Right Efficiency Termination Actions

Status: Yellow

- **PERFORMANCE IS MEASURED BY DOCKETS
OVERAGE/TOTAL DOCKETS.**
- **6% IMPROVEMENT OVER FY96**
- **DCMC AVERAGE MAINTAINING 28-30%
(TARGET 15%)**
- **WESTERN DISTRICT MAINTAINS THE HIGHEST
AVERAGE WITH VAN NUYS IN THE LEAD**



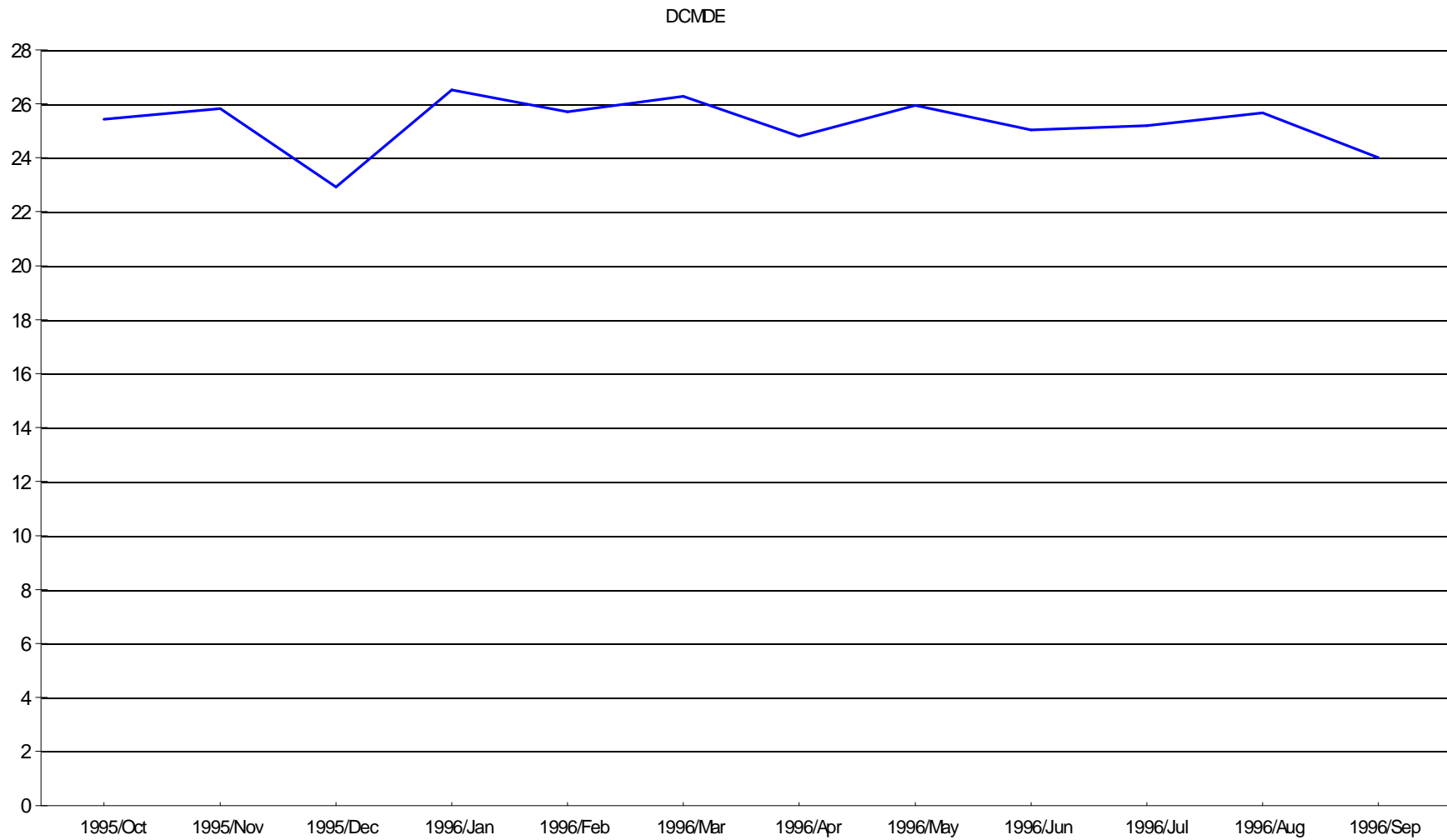
Right Efficiency Termination Actions

Status: Yellow

- **DISTRICTS NEED A PLAN FOR FY97 TO REDUCE OVERAGES TO 15%**
- **AQOE TO PERFORM OFFICE VISITS TO ASSIST WITH PLAN DEVELOPMENT**
- **TARGET 17 DEC 96 FOR BURN DOWN PLAN FROM DISTRICTS**

DCMDE

Right Efficiency
TERMINATION ACTIONS
% OF DOCKETS OVERAGE



Right Efficiency Termination's Actions (Percent of Dockets Overage)

Status: Yellow**FY 97 GOAL = 15% OVERAGE**

Comments:

- o 5 of 6 TSOs >15% goal established for FY97
- o Positive trend continues
- o Pareto Analysis
 - Boston** (86 of 268) - 50% are in negotiation/awaiting return of mod
 - Atlanta** (74 of 254) - 51% are in negotiation/awaiting return of mod
 - Cleveland** (40 of 180) - 35% are in negotiation w/prime and/or subktr
 - New York** (60 of 318) - 45% are protracted negotiations
 - Springfield** (6 of 33) - 50% are protracted negotiations
- o Root Cause
 - oo Need more cooperation from contractors to prioritize settlement actions
 - oo Declining base masks improved performance

Right Efficiency
Termination's Actions
(Percent of Dockets Overage)

Status: Yellow 

FY 97 GOAL - 15% OVERAGE

Comments (continued):

Action Taken:

- o TSOs are targeting specific dockets for settlement

Action Required:

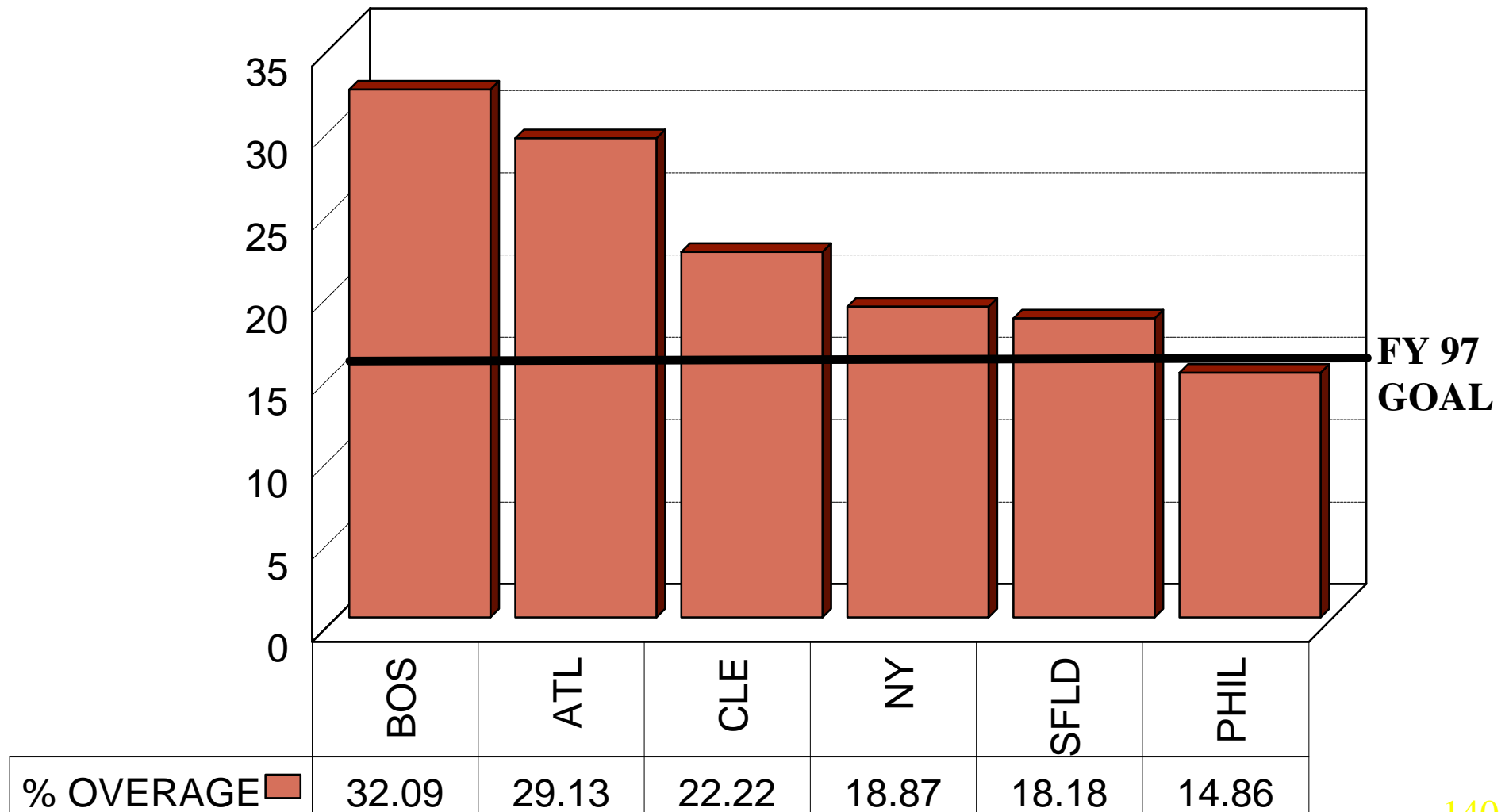
- o Continue emphasis on contractor response time
- o Metric revision to measure T/C cycle time proposed - with customers now for validation
- o District Status Green - March 30, 1997

DCMDE

OVERAGE TERMINATION DOCKETS

% OF OVERAGE DOCKETS FOR SEPT

FY 97 GOAL: 15%





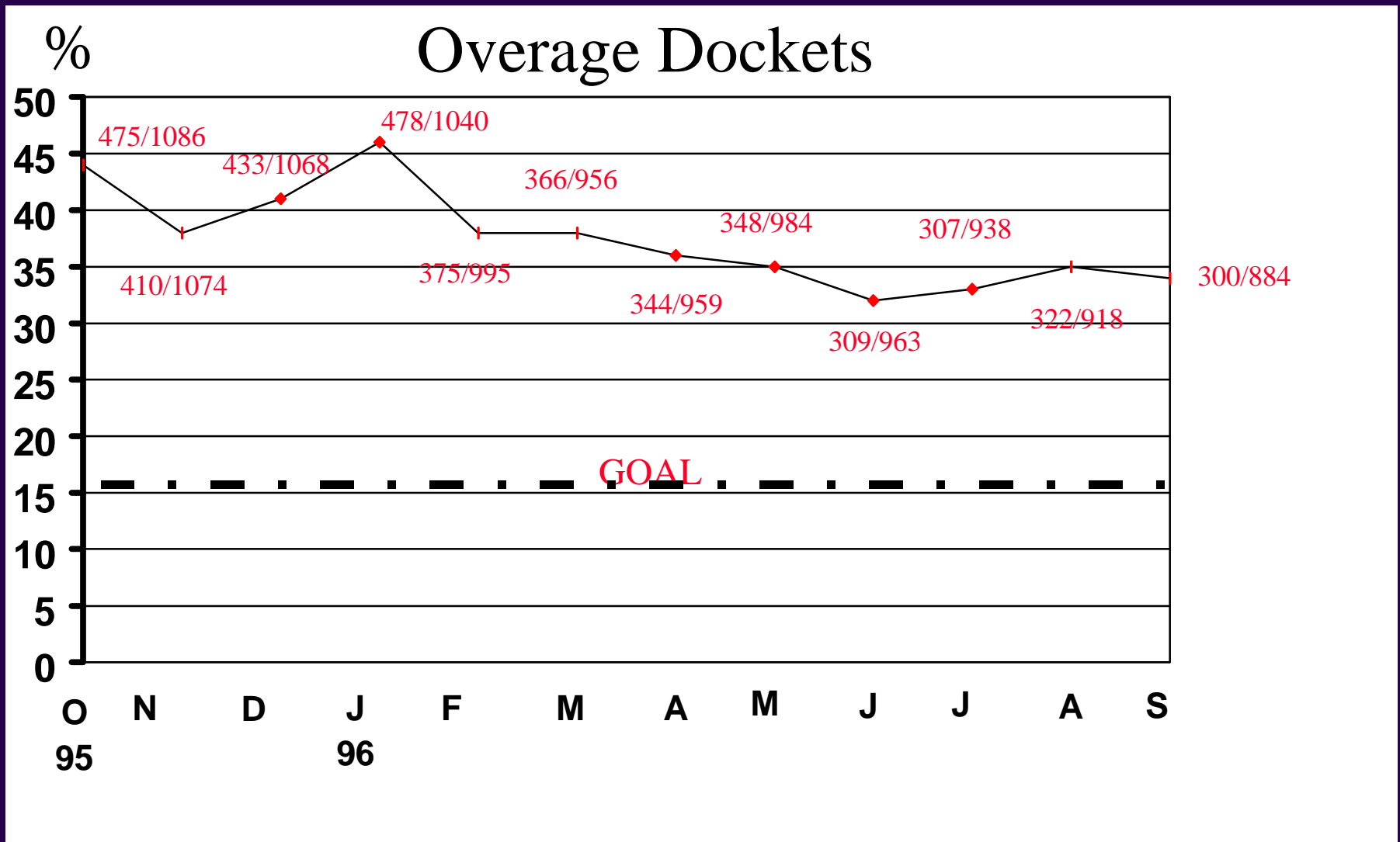
Right Efficiency Termination Actions

Status: Yellow

Comments:

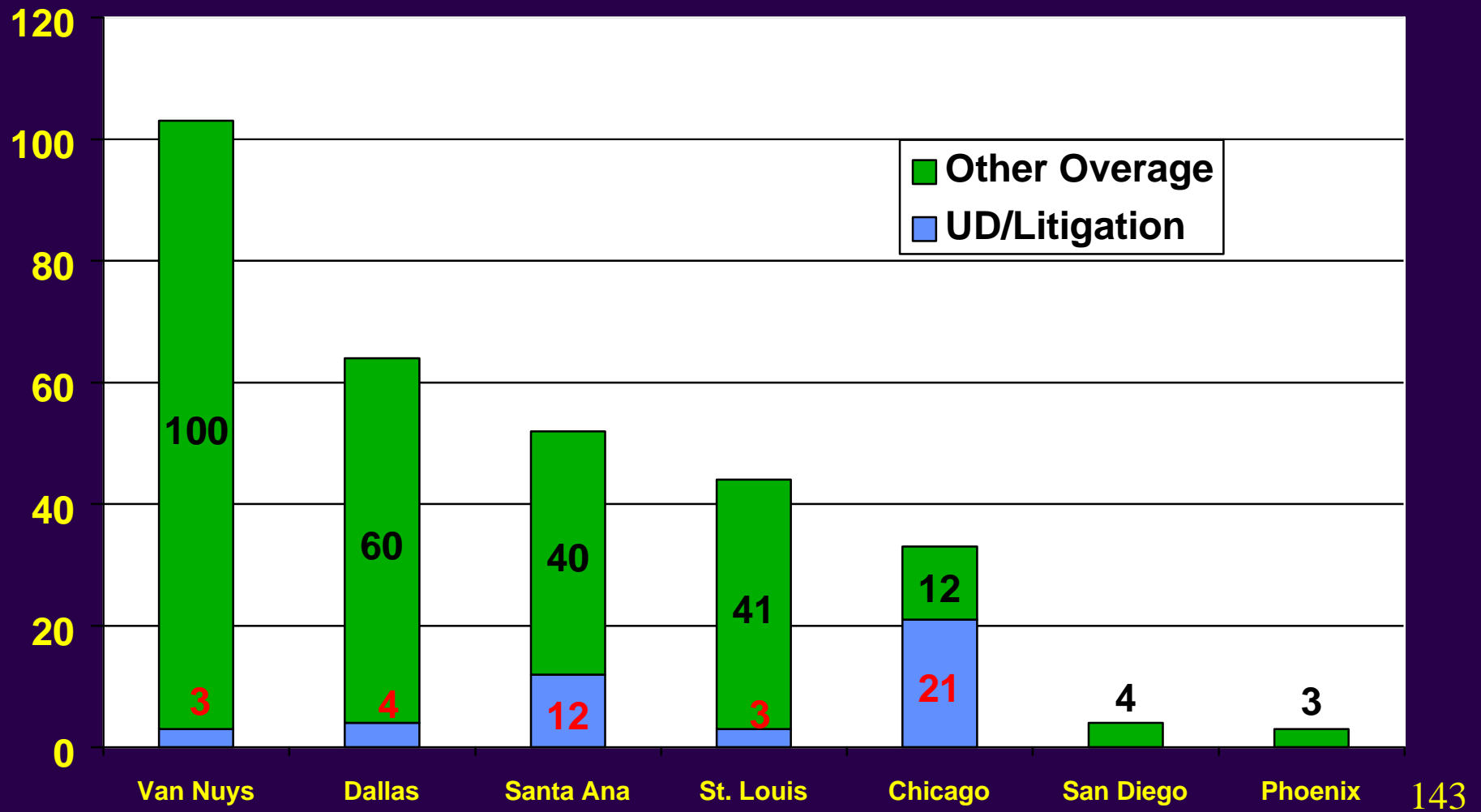
- Performance is measured by dockets overage/total dockets
- Goal: less than 15%
- Declining workload base makes the 15% Goal difficult to achieve

Right Efficiency





Right Efficiency





Performance Goal Task 1.3.1.2

Termination Actions

Status: Yellow

Comments:

- FY97 Goal is total number of Overage Dockets to be less than 15%
- September performance measurement is 34%
- Termination Process Team met in Boston 16-17 Oct 96 and recommended a new performance metric; "Reduce Termination Process Cycle Time". HQ DCMC is currently reviewing recommendation.



DCMDW Termination Overage Dockets

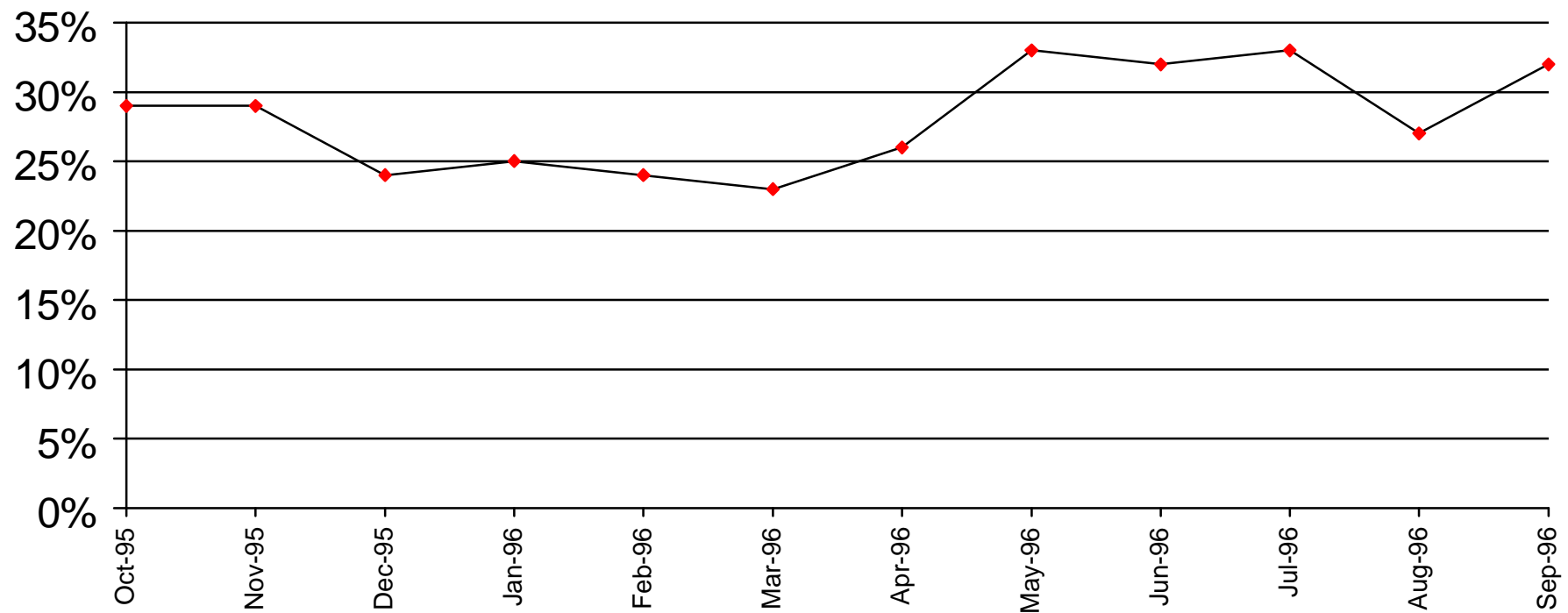
Data as of September 30, 1996

Overage Reason:	Van Nuys	St. Louis	Dallas	Santa Ana	San Diego	Chicago	Phoenix	Total
Awaiting PCO Modification				1				1
Administrative Error		2						2
Neg. Completed Awaiting Settlement Board Approval			2					2
Contractor Caused Delays		2	1					3
Late Receipt of T/C Notice		4						4
Awaiting DFAS Reconciliation			3	1				4
Conducting Fact Finding			4					4
Bankruptcy				2	1	1		4
Awaiting Final Overhead Rates	4				1			5
Awaiting Revised Proposals/Comp. Final Voucher	5		1					6
Contractor Under Investigation		2		4		1		7
Preparing Pre-Negotiation Position or Review Board Approval	3		3	2				8
Neg. Completed Awaiting Signed Mod			3			8	1	12
Awaiting Sub-Settlements for Ratification	4		2	6				12
Overage Dockets Closed during Oct	14		1					15
G&A Application to Settlement Exp.	17							17
Awaiting DCAA Audits	9	2	5	1		1		18
Protracted Negotiations	7		9	4		1		21
Awaiting Additional Funding	4	1	5	17				27
Awaiting Plant Clearance	3	11	16	2	1		2	35
Awaiting ASBCA/Court Ruling/UD	3	3	4	12		21		43
Late Receipt of Proposal	30	17	2		1			50



DCMDI Right “Efficiency”

Termination Actions
(Dockets Overage / Total Dockets)





DCMDI Right “Efficiency” Termination Actions

Status: Yellow

Comments: (Goal is 15%)

DCMC N. Europe: 5 dockets closed in Oct 96

Function assigned to new hire

DCMC S. Europe: 1 docket closed

6 dockets awaiting settlement

New TCO on-board in Oct



Right Efficiency

Contractors with C/SCSC Joint Agreements

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
• Contractors with C/S Requirements	3	3
• Contractors with Joint Agreements	10	10



Right Talent

Training Hours Per Employee per Year As Compared to Industry Benchmark

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Budget Constraints	4	3
Location of Training	3	5
Faulty Identification in IDPs	4	4
Timely Class Assignment Information	3	9
Cancellation Due to Mission Constraints	3	2



Right Talent

DAWIA Certification Percentage

- Number of employees certified/Total # of employees requiring DAWIA certification

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Availability of Classes	8	3
Type of Work Assignments	9	8
Lack of Required Education	6	2
Priority Guidance Implementation	5	8



Right Talent

IDP Courses Completed Percentage

- Total # Of courses Completed / Total # of courses listed in the IDP

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Knowledge of Required Courses	7	4
Availability/Cancellation of Projected Requirements	8	1
Budget	10	3



Right Talent

DAU Quotas Usage Percentage

- Number of employees graduated / Number of spaces originally allocated

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Space Allocation	9	2
IDP Process	8	6
Supervisory Release for Training	8	9
Notification Process Adequacy	6	4



Performance Improvement

1997 Business Plan - Performance Goals	DCMC	East	West	Int'l
• (1.1.1) Continually improve process to help customers craft better contracts and make better contractor selections (EARLY CAS)	Yellow	Yellow	Green	Green
• (1.2.1) Increase the percentage of items (source inspected) conforming to product specifications	Yellow	Yellow	N/R	Green
• (1.2.2) Improve by 5% over the FY 96 baseline, the number of contract line items delivered to the original delivery schedule	Yellow	Green	N/R	Green
• (1.2.3) Increase overall DCMC ROI by 10% over the FY 96 baseline	Green	Green	Green	Green
• (1.3.1) Continually improve all facets of the contract close-out process (Targets=Less than 5%/20% overage contracts for those with/without canceling funds respectively)	Green	Yellow	Yellow	Yellow
• (2.1.1) Incrementally expand JLC Acquisition Pollution Prevention Initiative to additional contractor sites	Green	Green	N/R	N/A
• (2.1.2) Establish, maintain, and improve dynamic surveillance process that senses and satisfies customer needs (DELIVERY DELINQUENCIES)	Yellow	Green	N/R	N/A
• (2.1.3) Continue to identify/define and implement actions necessary to ensure that DCMC is positioned to remain a key player in the DoD acquisition process in the 21st century	Green	N/A	N/R	N/A
• (2.1.4) Improve the effectiveness and efficiency of all our communication efforts (INTRA-DCMC COMMUNICATIONS)	Green	Green	N/R	Green
• (2.1.5) Continually improve/enhance organization & processes that deliver quality products/services (INTERNAL PROCESS STANDARDIZATION)	Yellow	Green	N/R	Green



Performance Improvement(Con't)

1997 Business Plan - Performance Goals	DCMC	East	West	Int'l
• (2.1.6) Support info technology initiatives by deploying 90% of projects selected in the IRM plan on schedule (INFORMATION TECHNOLOGY INITIATIVES)	Green	Green	NR	Yellow
• (2.1.7) Develop/deploy small quantity of outcome-oriented performance measures which best portray performance of core processes (METRICS)	Yellow	Green	N/A	Green
• (2.1.8) Package DCMC-wide data for the customer in a comprehensive, timely, and user-friendly manner (PACKAGING DCMC DATA)	Green	Green	N/A	Green
• (2.2.1) Use the results of Performance Based Staffing Assessment to better structure and utilize the workforce	Green	Green	N/A	NR
• (2.3.1) Improve mission and support processes by conducting management control reviews and annual USA; incorporate areas for improvement into planning process	Green	Green	Green	Green
• (2.3.2) Assess organizational performance through the accomplishment of 30 IOAs during FY 97	Green	Green	N/A	Green
• (2.3.3) Continue benchmarking projects that were started during FY 96	Green	Green	NR	N/A
• (2.3.4) Explore the use of Alternate Oversight approaches and other methods to enhance operational efficiency at various CAO locations	Green	Green	Green	N/A
• (2.3.5) Refine internal assessment (INTERNAL ASSESSMENT)	Green	N/A	N/A	N/A
• (3.1.1) Reduce facilities costs - bring footage ² of office space into compliance w/ DLA standard - move offices from leased space into DoD space	Green	Green	Green	Red
• (3.1.2) Reduce number of high grade positions (14/15/SES) by 4% DCMC-wide	Green	Green	NR	Green

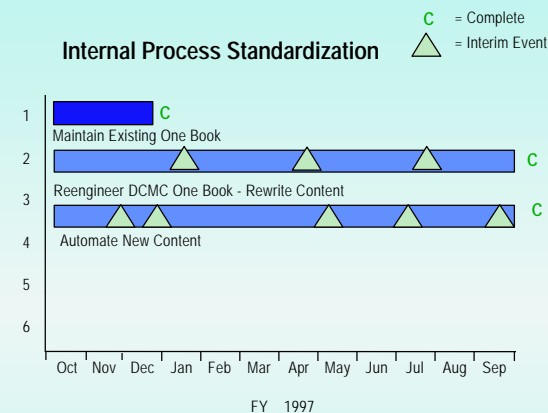


Performance Improvement(Con't)

1997 Business Plan - Performance Goals	DCMC	East	West	Int'l
• (3.1.3) Increase civilian supervisory ratio to 13:1	Green	Green	NR	Green
• (3.1.4) Prepare for DBOF (DBOF CHALLENGE)	Green	N/A	N/A	Green
• (3.2.1) Develop and implement an integrated management system	Green	Green	N/A	Green
• (3.3.1) Improve elements of the work environment that enhance employees' well being, satisfaction, and productivity	Green	Green	NR	Green
• (4.1.1) Maintain overall customer satisfaction level greater than 4.0 (1-6 scale) across ACAT PMs/PCOs and Commodity Managers/PCOs	Green	Green	Green	Green
• (4.1.2) Field activities continue to solicit customer satisfaction information via Trailer Cards	Green	Green	NR	Green
• (4.2.1) Increase FEDCAS reimbursable hours to 159,053 by close of FY 97	Yellow	Green	Green	NR
• (5.1.1) Establish, maintain, and improve a strategic workforce development system that addresses current and future skills needed to satisfy customer requirements (WORKFORCE SKILLS)	Green	Green	Green	Green
• (5.2.1) Increase the percent of eligible organizations having partnership agreements and/or partnership councils	Green	Green	NR	Green

2.1.5-Internal Process Standardization Challenge

- Goal: Continually improve and enhance the organization and processes used to deliver quality products and services to our customers.
- Target: 30 Sep 97
- Status: Many activities completed or begun during FY96.-2 key tasks identified for FY97:Task 97-2.1.5.1- Owner: Carol Collins, AQOJ, 767-2352 - Improve venues for consistent operation/deployment of DCMC's policies. Task 97-2.1.5.2 -Owner: Kathy Zalonis, AQOJ, 767-2365 - Reengineer DCMC's One Book.
- POC: Carol Collins, AQOJ, 767-2352



Performance Goal 2.1.5 Internal Process Standardization

Status: Green

- Continue quarterly updates to One Book
- Reengineering One Book - New content
 - 1)-Rewrite Team Draft
 - 2)-Comment Period
 - 3)-Final Edit, Review and Approval
- Automate New Content
 - 1)-Automation Rqmnts Document
 - 2)-Initial files with email links
 - 3)-Version 3.0
 - 4)-Additional working links added
 - 5)-Full functionality (new utility and content)

Business Plan Reference



DCMDI Performance Improvement Goal 2.1.6

Information Technology Challenge

(Percent of IRM Projects Selected that were deployed on Schedule)

Status: Yellow

Project	# Field Activities	Sched Completion Date
Field Cmdrs Video teleconferencing	5	30 Sep 97
WWW Netscape Deployment	5	30 Sep 97
TAMS deployment	5	30 Sep 97
PASS deployment	5	30 Sep 97
ALERTS deployment	5	30 Sep 97
PCARSS deployment	5	30 Sep 97
DSIS/IASO	5	30 Sep 97
Standard Procurement System (SPS)	5	30 Sep 97
EDI DD 250 system deployment	5	30 Sep 97

Business Plan Reference: 2.1.6



DCMDI Performance Improvement Goal 2.1.6

Information Technology Challenge

(Percent of IRM Projects Selected that were deployed on Schedule)

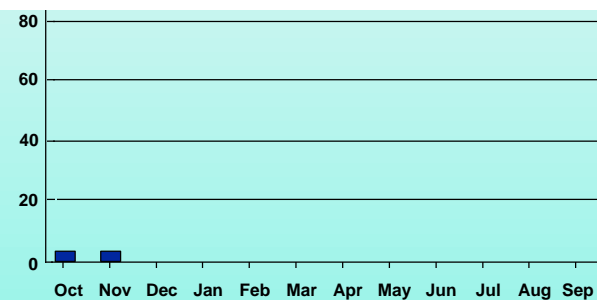
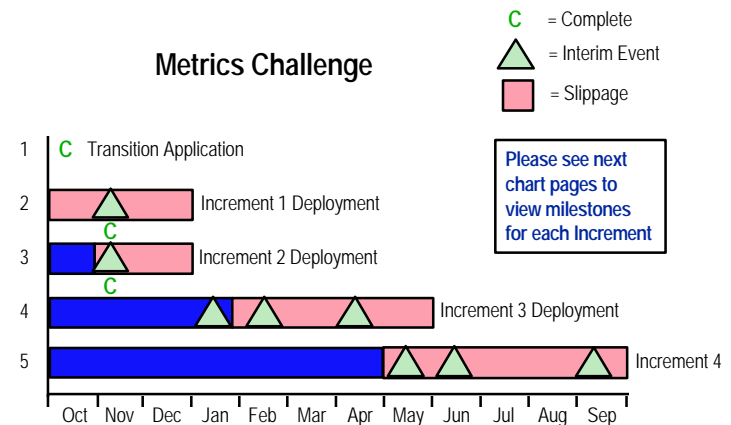
Status: Yellow

Comments: (WWW at 72 % - all others 0%)

- Telecom: Not at all Sites and most are unreliable
- Mixed PLAS versions (6.1 to 7.0)
- SICM fielded but NO roll-up yet
- Non-standard Applications (ALERTs, MOCAS, DCARRs, etc.)

2.1.7-Metrics Challenge

- Target: March 31, 1997
- Status: As of November 13, 1996: A portion of Increment 1 and all of Increment 2 of the Automated Metrics System was certified for deployment on November 8, 1996. A functional test to certify the remainder of Increment 1 is scheduled for December 9-13.
- POC: Joseph F. Petrucelli, AQBC, 767-2426



Status: Yellow (but Back on Track)

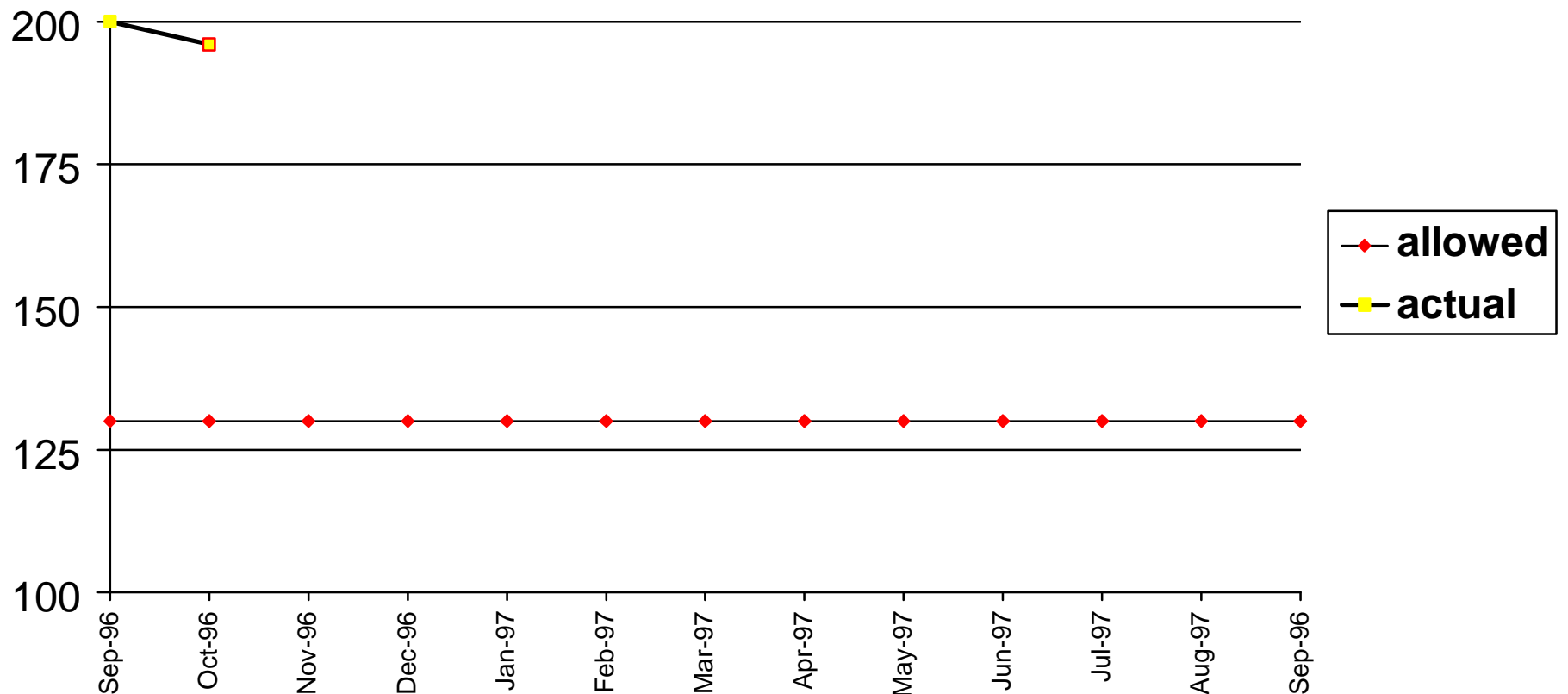
- Deployment of Increments 1 and 2 Delayed:
 - Increased Functional Requirements
 - Contractor Rework Required
- Increments 1 and 2 Certified 11/8/96
 - Scheduled for Deployment Starting in December 1996:
PreAward Survey, Pricing & Negotiation, Forward Pricing,
Overhead Negotiation, FEDCAS, Process Improvements,
Flight Safety, Customer Support (Right Reception), and
Contingency CAS.
 - MOCAS (Demographics, Contract Closeout, Progress
Payments and Delinquencies), Early CAS (Right Advice),
Trailer Cards, SPI, Lab Testing (Right Item) later.



DCMDI Performance Improvement Goal 3.1.1

Reduce Facilities Cost

(Difference between total square feet allowed versus actual square footage)



Business Plan Reference: 3.1.1



DCMDI Performance Improvement Goal 3.1.1

Reduce Facilities Cost

Status: RED

Comments: (as of 31 Oct 96)

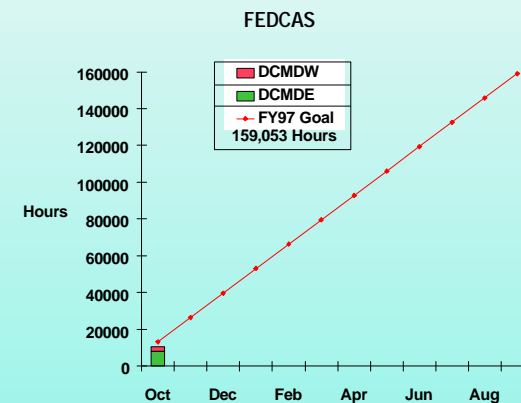
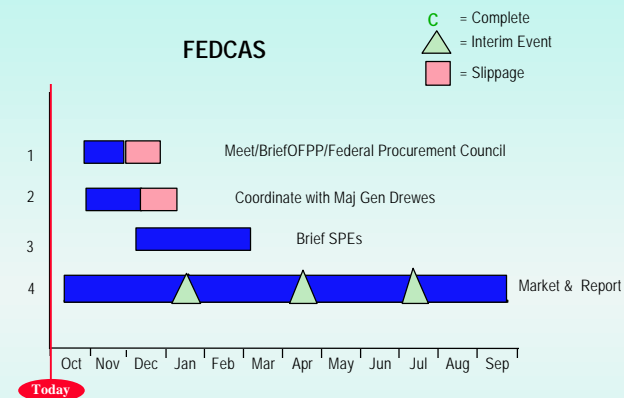
Total leased square footage for DCMDI is 53,035

Includes 10 OCONUS offices

Of the 10 OCONUS offices, 8 are commercial leased, 1 is GSA leased, and 1 is provided by Embassy.

4.2.1-Increase Reimbursable Business

- Goal/Target: Increase reimbursable with civilian agencies (FEDCAS). FY 97 goal: 159,053 hours (13,254 hrs/month)
- Status: YELLOW - OFPP has not yet set a date for the next Federal Procurement Council meeting but it will be in Dec. not Nov. as planned. - Below goal. DCMC hours (10,521) are @ 79% of goal (DCMDE:7946 hrs/75% of goal & DCMDW: 2575 hrs/97% of goal).
- POC: Lt Col Robert Gallagher, AQBB, 767-2461 Michael McLaughlin, AQBB, 767-2452





Performance Goal 4.2.1

Increase FEDCAS Hours

Status: Yellow

- Briefing to OFPP/FPC Slipped 1 Month
- Monthly Progress Towards FY 97 Goal is Below Target
- Proposal: Track FEDCAS as Part of Total Reimbursable Business (I.E., Not Separately)

Goal 5.2.1

PARTNERSHIP OPPORTUNITIES

- **October MMR Action was to develop a Metric to quantify Partnership Opportunities**
- **November VTC with District Reps established the mechanisms to track Partnership Opportunities**
- **December MMR will brief data, including:**
 - **Invitation to Meetings and Conferences**
 - **Number of Documents reviewed**
 - **Number of Courtesy Copies provided**
 - **Other**

ACTION ITEMS

ACTION ITEMS

AQ MONTHLY MANAGEMENT REVIEW

NOTE: Action items with *by Partially Complete will be considered closed AFTER being briefed at the MMR.

1. PARTIALLY COMPLETE. UCAs - Change the metric to overage dollars after the Automated Metric System (AMS) has been installed for this item.

As agreed at the Aug MMR, overage dollars has been identified as the metric for UCAs. However, it will be collected after the Automated Metric System has been installed. The first increment of the Automated Metrics System, which will include this measure, is scheduled to go into operation Jan 97. (This action will be closed upon implementation of the AMS increment incorporating UCAs.)

2. PARTIALLY COMPLETE. BENCHMARKING - Review utility of scheduled benchmarking projects. Assess results and determine which projects should be continued.

Status was furnished by six benchmarking teams. The seventh benchmarking project, Distributed Computing, led by AQACP, will continue until completion in March 1997. No new DCMC sponsored projects will be started at this time. A letter sharing general DCMC benchmarking results was sent to the Districts and AQ Staff. Memorandums from the applicable AQO Teams, outlining individual project results, including best practices, lessons learned, and process insights, will be sent to the field. This action will be closed upon completion and dissemination of these letters, expected 1 Dec 96.

ACTION ITEMS (cont.)

3. CLOSED. METRICS REPORTING - Prepare a letter to the Districts indicating what will no longer need to be reported to the HQ for management purposes and have it signed.

DCMC Memorandum 96-48, DCMC Performance Metrics (POLICY) was signed out Nov 4.

4. CLOSED. LTG BABBITT'S ORIENTATION - Include lab testing support as an agenda topic for AQ's orientation briefing.

Lab testing was discussed with LTG Babbitt during his orientation visit to AQ.

5. *PARTIALLY COMPLETE. CONFORMING ITEMS, LAB TESTING - Lab testing that shows poor results can be indicative of a bigger problem. Right item can become a really big issue. Report on this issue again at the next MMR.

Information available to discuss issue at Nov MMR.

6. *PARTIALLY COMPLETE. UCAs - UCA issue should be a Management Council item at CAOs. District Commanders provide more information at the next MMR on root causes of overage UCAs, e.g. Why Seattle's UCAs are overage.

Analysis has been completed. Information will be discussed at MMR.

ACTION ITEMS (cont.)

7. *PARTIALLY COMPLETE. OPEN OVERHEAD NEGOTIATIONS - Perform an in-depth analysis of root causes and present drivers, etc. at the next MMR.

Analysis has been completed. Results will be briefed at Nov MMR.

8. CLOSED. SOFTWARE RECOMMENDATIONS - DCMDs assure the CAOs understand and participate in the Software reporting.

This is a new metric as of 1 Oct 96. AQOF notified District POCs to have CAOs use the software application (SPECS), populate the data base and report data monthly. DCMDs are monitoring the results.

9. PARTIALLY COMPLETE. ASP/RFP REVIEWS - Provide AQ a specific set of questions plus some "did you know" questions/items which should be asked of the procuring activities.

AQOD letter, dated Nov 18, 1996, subject: "Lessons Learned" and Interview of Buying Activity Acquisition Leaders, was sent to Customer Liaisons.

10. *PARTIALLY COMPLETE. CUSTOMER SATISFACTION PM/PCO SURVEYS - Perform analysis to determine why the overall satisfaction rating is going up or down. Be prepared to provide more detailed information on the trends at the next MMR.

Performance analysis completed. Trends will be discussed at MMR.

ACTION ITEMS (cont.)

11. PARTIALLY COMPLETE. CANCELING FUNDS DATA - AQOE is researching the methods used to calculate, report and manage canceling funds to ensure there is no disconnect between what the services are reporting and what we report. Information will be briefed at the next MMR.

Services are still closing books from year end scramble. Expect figures around 1 Dec and brief at Dec MMR.

12. CLOSED. INFORMATION SYSTEMS TECHNICAL TERMS - Provide AQ a dictionary of technical terms related to information systems (e.g. environmental test).

Information provided to AQ Nov 8.

13. * PARTIALLY COMPLETE. UNION PARTNERING - Develop an additional metric to track the number of opportunities we give the Union to partner via invitations to participate in conferences, meetings, things we send to union, etc. Present at next MMR.

New metric will be briefed at MMR.

14. PARTIALLY COMPLETE. POLLUTION - In order to gain final approval of plans, AQOI needs to develop more details. Prior to next MMR brief AQ on details of (a) environmental concerns and (b) on pollution prevention plan.

Environmental Concerns: Briefed DCMC Deputy on 25 Oct.

Pollution prevention: Diagram depicting JG-APP/SPI linkage provided AQ. Awaiting response.

ACTION ITEMS (cont.)

15. SE-CMM - Discuss the SE-CMM with the DoD and the System Engineering Group i.e SESG & JGSE. (Determine their level of understanding, support, use or sponsorship of existing and prepared models.)

Meeting with JGSE management group will be held 20 and 21 Nov. Meeting with SESG will be held 22 Nov. Col. Harper, DCMC representative, will be attending the meetings. Results will be briefed to AQ by Nov 30.

16. CLOSED. NEGOTIATION SUSTENSION RATE - Determine whether this metric should be eliminated prior to next MMR.

Metric eliminated via Policy Memo 96-48, dated Nov 4, 96, subject: DCMC Performance Metric.

17. PARTIALLY COMPLETE. TRIP INFORMATION - Establish procedure to have as part of read ahead package CAO metrics for each AQ visit.

Procedure has been established. Informal procedure will be formalized shortly.

18. CLOSED MONTHLY MANAGEMENT REVIEWS - Schedule resource management part of the briefings first; and, schedule appearance of metric/performance goal owners who brief during MMRs.

MMR reviews will commence with Resource Management charts. Goal owners are aware of where they appear in the schedule.